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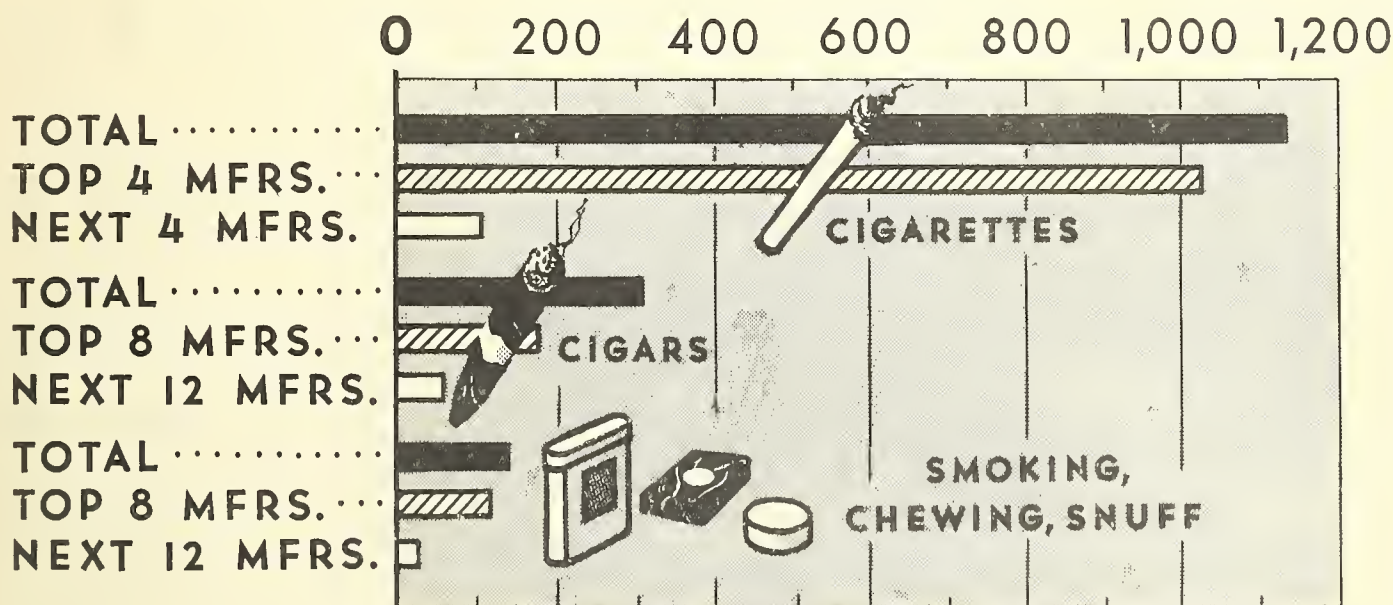


FEBRUARY 1950

CONCENTRATION IN TOBACCO MANUFACTURES

(Value of Products Made in 1947)

MIL. DOL.



DATA FROM U. S. DEPT. OF COMMERCE

U. S. DEPARTMENT OF AGRICULTURE

NEG. 47482-XX BUREAU OF AGRICULTURAL ECONOMICS

Tobacco manufactures show a high degree of concentration as measured by the value of products made in 1947. The total value of cigarettes, cigars, snuff, smoking, and chewing tobacco manufactured was nearly 1.6 billion (Internal Revenue taxes not included). Ninety percent of total 1947 cigarette output valued at 1.1 billion dollars was accounted for by the top 4 companies. Eight companies made a little over 80 percent of the snuff, chewing, and

smoking tobacco. In the manufacture of cigars, the top 8 companies produced 57 percent of the total.

From the standpoint of agriculture, farmers grow tobacco on about one-half million farms in the United States. The value of the tobacco produced in 1949 on the approximate average of 3 1/4 acres per farm is estimated at about 1,825 dollars.

STATISTICAL SUMMARY

Item	Unit or base period	1948				1949				Last data available as percent of a year earlier
		Sept.	Oct.	Nov.	Dec.	Sept.	Oct.	Nov.	Dec.	
Prices received at auctions										
Flue-cured	Cents per lb.	49.0	51.6	42.7	38.2	48.4	48.9	44.2	35.0	92
Burley	do	1/	1/	49.6	47.7	1/	1/	45.0	47.5	100
Fire-cured	do	1/	1/	31.0	31.3	1/	1/	32.0	33.2	104
Dark air-cured	do	1/	1/	1/	28.5	1/	1/	28.3	27.5	97
Parity prices										
Flue-cured	do	48.5	48.1	48.1	48.1	46.3	46.0	46.3	46.3	96
Burley	do	47.1	46.6	46.6	46.6	44.8	44.5	44.8	44.8	96
Maryland	do	48.8	48.3	48.3	48.3	46.5	46.2	46.5	46.5	96
Fire-cured	do	22.4	22.3	22.3	22.3	21.5	21.4	21.4	21.5	96
Dark air-cured (35-36)	do	18.1	17.9	17.9	17.9	17.2	17.1	17.1	17.2	96
Virginia sun-cured (37)	do	24.2	23.9	23.9	23.9	23.1	22.9	22.9	23.1	97
Index of Prices Paid 2/	3/1919-28=100	165	164	164	164	158	157	157	158	96
	4/1934-38=100	212	210	210	210	202	201	202	202	96
Tax-paid Withdrawals										
Cigarettes, small 5/	Million	29,857	31,335	29,259	24,675	31,731	29,506	29,626	24,657	100
Cigare, large 5/	do	545	531	554	440	532	534	509	386	88
Chewing and Smoking	Million pounds	19	20	16	13	19	18	16	13	100
Snuff	do	3.7	3.5	3.2	3.4	3.7	3.7	3.5	3.8	112
Accumulated since Jan. 1										
Cigarettes, small 5/	Million	263,460	294,796	324,055	348,730	268,527	298,033	327,658	352,315	101
Cigars, large 5/	do	4,250	4,781	5,335	5,775	4,157	4,692	5,200	5,587	97
Chewing and Smoking	Million pounds	150	170	187	200	147	165	181	194	97
Snuff	do	31	35	38	41	30	34	37	41	100
Cigarettes, tax-free	Million	4,103	4,030	2,736	3,185	2,680	2,777	2,215	2,432	76
Accumulated since Jan. 1										
Tax-free	do	28,740	32,770	35,506	38,691	25,799	28,576	30,791	33,223	86
Tax-paid plus tax-free	do	292,200	327,566	359,562	387,421	294,326	326,609	358,449	385,538	100
Stocks, beginning of quarter 6/ (farm-sales weight)										
Flue-cured	Million pounds		1,874				1,941			104
Burley	do		902				974			108
Maryland	do		56				54			96
Fire-cured	do		163				157			96
Dark air-cured	do		77				74			96
Cigar, filler	do		124				132			106
Cigar, binder	do		126				123			98
Cigar, wrapper	do		20				22			110
Exports (farm-sales wt.)										
Flue-cured	Thou. lb.	47,976	34,836	19,175	48,757	80,277	57,685	36,510	49,653	102
Burley	do	1,495	2,349	1,601	4,659	3,356	2,904	1,670	2,389	51
Maryland	do	999	384	308	2,643	763	287	1,215	785	30
Fire-cured	do	3,425	2,779	2,280	4,775	2,098	823	1,235	2,415	51
Dark air-cured	do	432	792	361	543	284	436	615	685	126
Cigar	do	478	187	197	1,831	688	1,352	1,630	1,049	57
Total 7/	do	54,803	41,327	23,922	63,221	87,473	63,492	42,875	56,994	90
Accumulated since begin- ning of crop year										
Flue-cured	do	152,193	187,029	206,204	254,971	159,150	216,834	253,344	302,997	119
Burley	do	27,513	8/2,349	3,950	8,609	41,887	8/2,904	4,574	6,963	81
Maryland	do	7,326	8/384	692	3,335	9,097	8/287	1,502	2,287	69
Fire-cured	do	30,293	8/2,779	5,057	9,832	43,087	8/888	2,123	4,538	46
Dark air-cured	do	6,375	8/792	1,154	1,697	14,451	8/680	1,295	1,980	117
Cigar	do	7,297	8/187	383	2,214	24,005	8/1,352	2,982	4,031	182
Personal income 9/	Billion dollars	216	216	217	217	210	209	209	211	97
Index of Industrial Production 10/	1935-39=100	197	199	195	190	179	169	173	176	93
Percent Labor Force Employed	Monthly	96.9	97.3	97.0	96.3	94.7	94.3	94.6	94.4	98

1/ Closed. 2/ For computing tobacco parity prices. 3/ All types except flue-cured, Burley, and Maryland. 4/ Flue-cured 11-14, Burley 31, and Maryland 32; base period for Maryland is 1936-40. 5/ Includes Puerto Rico. 6/ Stocks for October 1, 1949, are preliminary. 7/ Includes a small amount of Perique. 8/ Beginning of crop year. 9/ Seasonally adjusted monthly totals at annual rate. 10/ Unadjusted.

 T H E T O B A C C O S I T U A T I O N

Approved by the Outlook and Situation Board February 13, 1950

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SUMMARY

Most of the 1949 crop of United States tobacco has been sold at prices a little lower than those for the previous crop. Flue-cured tobacco growers, who accounted for 56 percent of total production in 1949, completed auction marketings in December. Flue-cured prices averaged close to 47.2 cents per pound--about 2.4 cents less than in the 1948 season. By mid-February, practically all of the Burley crop also had been marketed with prices averaging close to 45 cents per pound--1 cent less than for the previous season. Both flue-cured and Burley averaged above their respective 1949 support levels of 42.5 and 40.3 cents per pound. Prices for the 1949 fire-cured and dark air-cured tobacco crops have been closer to their support levels. The bulk of fire-cured and dark air-cured tobacco was sold by early February with prices of most types running a little below last season. In a couple of these types, average prices were a little higher than last season. Prices of cigar tobacco in the Connecticut Valley were lower than a year ago.

Flue-cured growers placed about 9 percent of the crop under Government loan in 1949 as in 1948. Burley growers delivered only about 7 percent for Government loans during the season through early February, compared with 16 percent of the 1948 crop. Less fire-cured and dark air-cured have gone under Government loan than a year ago, when it amounted to 37-1/2 and 26 percent, respectively.

The relatively strong demand for flue-cured and Burley reflected the continued large requirements for cigarette manufacture. United States consumption of cigarettes in 1950 is expected to be near last year's record. In 1949, cigarette consumption in the United States reached 352 billion or 3 1/2 billion above 1948. Although 1949 was a new peak, the gain over the preceding year was the second smallest since 1932. During 1949, an additional 13 2/3 billion cigarettes were consumed in United States Territories, by overseas personnel, and in certain other tax-free uses. Last year's cigarette export to foreign countries at 19 1/2 billion dropped more than one-fifth below the record 1948 total, thus holding total cigarette output in 1949 to 385 billion or slightly less than the 1948 output of nearly 387 billion.

United States smokers consumed approximately 5.6 billion cigars in 1949 compared with 5.8 billion in 1948. Sales of cigars selling between 8.1 and 15 cents were down 13 percent, but those at 8 cents and under were up 9 percent. During 1950, no appreciable change in total cigar consumption seems likely.

Smoking tobacco manufacture, which uses substantial quantities of Burley, had an estimated volume of 108 million pounds in 1949--practically the same as in 1948. The use of smoking tobacco may gain a little during 1950. It has remained comparatively steady for the past 4 years but is far below the prewar level.

Chewing tobacco manufacture, a sizable outlet for Burley, dark air-cured tobacco and stemming grades of cigar tobacco, dropped to an estimated 89 million pounds in 1949. This is between 7 and 8 million pounds below 1948 and the lowest on record. In 1950, chewing consumption and output may show a further gradual decline.

Snuff manufacture and consumption during each of the past 2 years held steady at about 41 million pounds. Snuff is the main domestic outlet for fire-cured tobacco. Consumption will probably continue near the 1949 level during 1950.

United States unmanufactured tobacco exports in 1949 totaled 498 million pounds (declared weight)--one-sixth larger than in 1948, when approximately the same volume as in prewar was exported. Since the war U. S. has exported from 20 to 30 percent of the total crop annually. In 1950, United States tobacco exports will probably not be as large as last year but no severe drop is in prospect. The reduction of ECA aid and the continued efforts by several countries to bring their trade with dollar areas into closer balance are factors that may affect takings of United States tobacco. Our exports to Britain in 1949 were practically the same as in calendar year 1948. Germany was the next ranking foreign destination and accounted for most of the increase in total tobacco exports between 1948 and 1949. China, for years an important outlet for United States tobacco, got a relatively small quantity in 1949. Most of the different kinds of tobacco were exported in larger quantities in 1949 than in 1948. The Government export subsidy program initiated during 1948-1949 and terminated June 30, 1949 (financed out of Section 32 funds) was an important factor in boosting shipments of fire-cured and dark air-cured tobacco during the first half of last year.

The European Recovery Program has aided United States tobacco exports. A number of western European countries participating in ERP have been traditionally important customers for United States tobacco. Approximately 163 million dollars of ECA procurement authorizations for United States tobacco were approved in 1949 compared with 106 million dollars in the April-December period of 1948. Actual exports of tobacco under some of the 1949 procurement authorizations will be made during the first half of 1950.

In 1949, United States tobacco imports for consumption were close to 88 million pounds compared with 84 million pounds a year earlier. About three-fourths of this was cigarette leaf--mostly from Turkey, Greece, and other eastern Mediterranean countries. The bulk of the remainder was cigar tobacco from Cuba.

The Agricultural Act of 1949 extended price supports on tobacco and provided a new method for computing parity prices. Parity prices of flue-cured and Burley as of January 15 under the new method are both 48.8 cents per pound. The loan level for the 1950 crop of flue-cured will be based on 90 percent of its parity or expected parity as of June 15; and for Burley, on 90 percent of its parity or expected parity as of September 15. Support levels for the 1950 crops will probably be a little higher than those applying to the 1949 crops. The loan levels for fire-cured and dark air-cured tobacco as in recent years will be computed at 75 and 66 $\frac{2}{3}$ percent of the Burley loan level. The parities and support prices applicable to the 1950 crops of Maryland and cigar filler and binder tobacco will be quite a bit higher than those in effect for the 1949 crops.

The Agricultural Act of 1949 provided that insofar as practicable, price supports shall be announced before the planting season. When price supports are again computed at the beginning of the marketing year (July 1 for flue-cured and October 1 for all other types), they will not supersede those announced before planting season unless parity prices as then computed are higher than those used earlier.

Flue-cured tobacco supplies (production and carry-over) for 1949-50 total 2,650 million pounds, slightly above the 1948-49 level. The 1950 acreage allotment is practically the same as in 1949. If the 1950 yields per acre should equal the average of the most recent 5 years, production would be close to 1,100 million pounds--or almost the same as in 1949. Carry-over on July 1, 1950, is expected to be fairly close to 1,540 million pounds. Based on these approximations of 1950 production and carry-over, the 1950-51 total supply would be little different from that for the current marketing year.

Burley supplies for 1949-50 are at a peak of 1,560 million pounds. The 1950 acreage allotment--about 10 percent lower than in 1949--is expected to reduce 1950 production; and although carry-over will be higher next October 1, supplies for 1950-51 will probably be a little smaller than in the current year.

Maryland tobacco supplies for 1949-50 are 4 percent above those for a year earlier. The 1949 crop estimated at 41 million pounds and 17 percent higher than in 1948 will be auctioned during the coming spring and summer. The support price determined as of last September 15 is 41.8 cents per pound--5 percent less than last season. Prices received by growers of Maryland last season averaged 54.5 cents per pound. The chief outlet for Maryland tobacco is cigarettes, but a significant proportion is exported.

Fire-cured tobacco supplies for 1949-50 total 228 million pounds--a little below a year earlier. The 1950 allotment is smaller than last year; and if yields per acre are near the recent 5-year average, production in 1950 may be down about 15 percent. This will probably bring about a small decline in total supplies for 1950-51, but they will be ample to meet requirements.

Dark air-cured supplies for 1949-50 are slightly less than a year earlier. The 1950 allotment is smaller than last year's, and the smaller production this year may slightly reduce the 1950-51 supply level. Government loan stocks of both dark air-cured and fire-cured tobacco still include sizable quantities from previous crops.

Cigar filler supplies for 1949-50 are a little larger than last year; while those for cigar binder are very slightly smaller. These types are not under quotas and acreage allotments. Cigar filler acreage declined slightly from 1948 to 1949, while harvested acreage of the binder types was practically unchanged.

Cigar wrapper supplies are at a record peak and some reduction in acreage and production is probable in 1950.

TOBACCO PRODUCTS

Cigarettes

More cigarettes were used in the United States in 1949 than in any previous year. United States consumption reached 352 billion cigarettes or about 3 1/2 billion more than in the previous record year of 1948. However, the increase from 1948 to 1949 was the second smallest year-to-year gain since the upswing began in 1932. Although civilian cigarette use in 1944 did drop below 1943, when allowance is made for the great volume consumed by large numbers in the armed forces and overseas personnel, total consumption in 1944 substantially exceeded that of 1943. The steady, and sometimes sharp, upward trend in cigarette use by United States smokers has been underway for many years. Consumption increased strikingly during the war and has made even further gains in the years since the war. It now appears that the upward trend in United States cigarette consumption may be leveling off. Consumption during the first half of 1949 was nearly 2 percent ahead of the first half of 1948. However, the last half of 1949 held just about even with the comparable period in 1948. Cigarette use during 1950 is expected to continue near the 1949 level. A slight increase may occur if general economic activity is strong throughout the year.

In 1949, United States cigarettes for Territories, overseas personnel, sea stores, and certain other tax-free purposes totaled about 13 2/3 billion--slightly more than in 1948.

Although domestic consumption of cigarettes gained, over-all production at 385 billion in 1949 was a little short of the 387 billion output in 1948. Total cigarette output did not rise from 1948 to 1949 because of the decline in commercial exports.

Table 1.- Cigarette exports from the United States, average 1934-38, annual 1947-49 with percentages

Country	Calendar year				: Percent : 1949 is : of 1948 : Percent
	: Average : : 1934-38 : : Million	: 1947 : : Million	: 1948 : : Million	: 1949 : : Million	
Philippines, Rep. of	: 2,544	9,640	11,575	7,422	64
Netherlands Antilles	: 105	759	1,221	1,291	106
Tangier 1/	: 12	543	941	1,209	128
Hong Kong	: 22	1,444	748	983	131
Venezuela	: 39	583	702	879	125
Belgium-Luxembourg	: 63	1,651	1,895	840	44
Switzerland	: 16	351	826	670	81
Panama 2/	: 389	628	719	618	86
Czechoslovakia	: 1	277	502	491	98
Sweden	: 80	1,309	359	409	114
Netherlands	: 128	142	285	404	142
Italy	: 34	121	518	356	69
Mexico	: 31	285	285	347	122
Cuba	: 47	281	312	302	97
Hungary	: 1	168	370	271	73
Other countries	: 1,258	4,614	3,921	3,069	78
Total all countries	: 4,770	22,796	25,179	19,561	78

1/ Includes French Morocco.

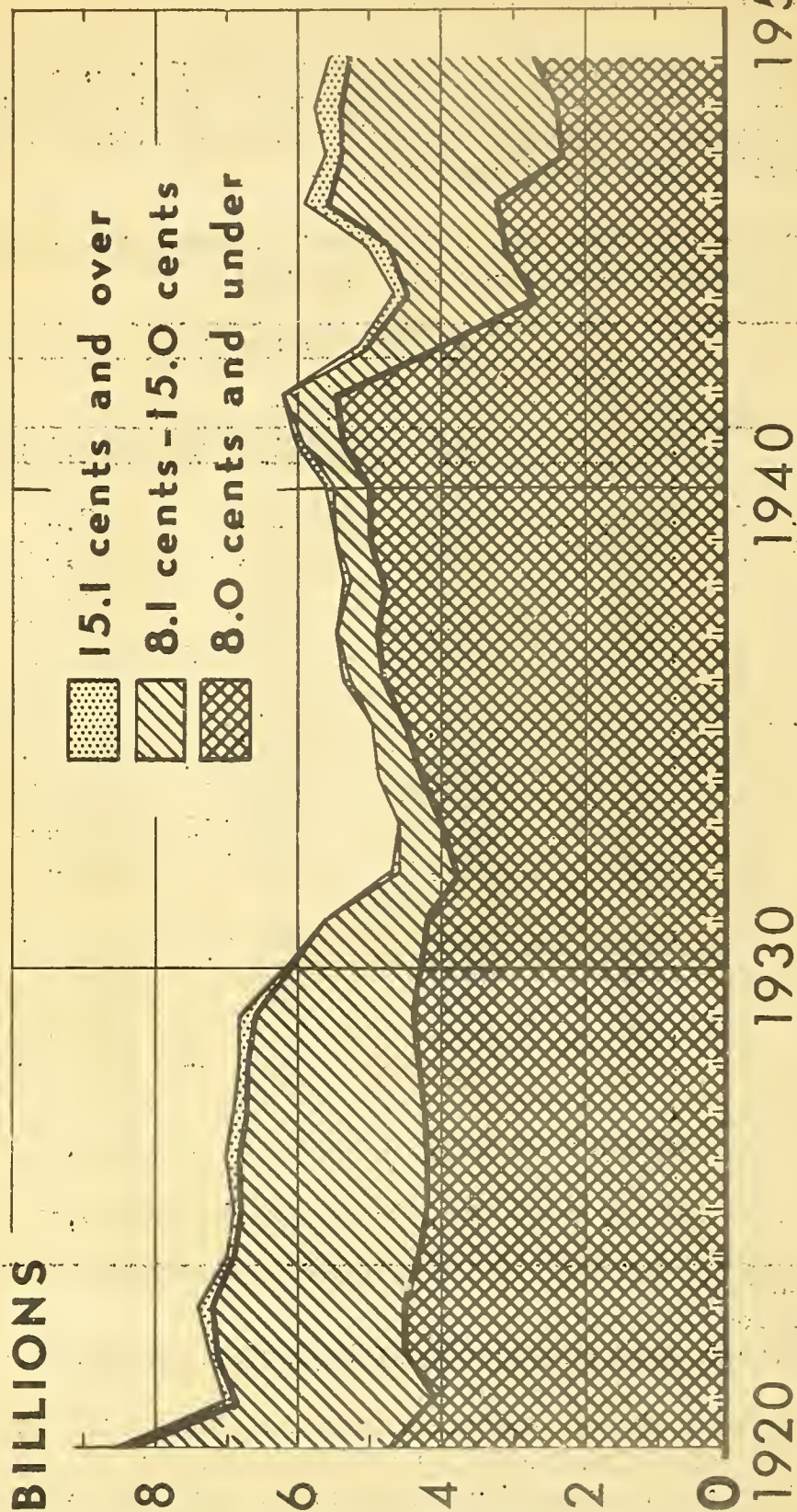
2/ Includes Canal Zone.

Compiled from publications and records of Department of Commerce.

Cigarette exports to foreign destinations in 1949 totaled 19 1/2 billion--more than one-fifth less than the record 25 billion exported in 1948. The declared value of United States cigarette exports in 1949 was 53 million dollars compared with close to 68 million dollars in 1948. Cigarette exports in 1949 were the lowest since 1945, but they were still well above the prewar level. A sharp contraction occurred in exports of United States cigarettes to the Philippine Republic--the largest single foreign outlet. A further drop is anticipated in 1950 as new restrictions on tobacco imports by the Philippines Republic were put into effect in late 1949.

U. S. CIGAR CONSUMPTION

By Price Groups



BASED ON TAX-PAID WITHDRAWALS IN INTERNAL REVENUE REPORTS AND NOT INCLUDING
SIZABLE SHIPMENTS TO OVERSEAS FORCES DURING WAR YEARS
DATA FOR 1949 ARE PRELIMINARY

U. S. DEPARTMENT OF AGRICULTURE

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Cigar consumption in 1949 was about 5.6 billion, down slightly from 1948 but slightly above the 1935-39 average. In the depression, consumption dropped sharply with nearly all of the decline occurring in the 8.1 to 15-cent price group. This group accounted for only 10 percent of the total from 1933 to 1942, increased to 55 percent in 1947, and declined to 47 percent by 1949. Cigar sales in the 8-cent and under price

groups - including the 5-cent cigar - increased from 1933 to 1942, dropped sharply after 1942, reaching the lowest point of record in 1947. Since then they have recovered moderately, and in 1949 they accounted for 48 percent. Higher priced cigars (over 15 cents) eased slightly in 1949 but still were 5 to 6 times the prewar average.

The Philippine Republic is attempting to conserve dollars and to restore its own tobacco industry, which has made slow recovery from the adverse effects of the war. The Philippine Republic took 46 percent of all United States cigarette exports in 1948, but only 38 percent in 1949. The Netherlands Antilles (formerly reported as Curacao in export statistics) was the second ranking outlet in 1949 for United States cigarettes and took about 6 percent more than in 1948. Belgium, ranking second in 1948, took 56 percent less in 1949 and dropped to sixth place. Table No. 1 shows the 15 largest foreign takers of United States cigarettes ranked in order of importance in 1949.

Among the 15 top ranking importers of United States cigarettes, 8 took less in 1949 than in 1948 and 7 took more. These 15 countries accounted for 84 percent of total cigarette exports. The remaining 16 percent went to a larger number of countries scattered all over the world. The combined total of United States cigarettes going to these other areas dropped 22 percent below the 1948 total.

Cigars

United States smokers consumed approximately 5,587 million cigars in 1949 compared with 5,775 million in 1948. This comparison is based on indicated tax-paid withdrawals. The 1949 figure is about 3 percent less than in 1948 but is 4 percent larger than the 1935-39 average. For the first 3 quarters of 1949, cigar withdrawals averaged only 2 percent less than in the comparable period of 1948; but in the last quarter of 1949, dropped 6 percent below the final quarter of 1948. During 1950, no appreciable change seems likely.

The cigars retailing at 8.1 to 15 cents had a 13-percent smaller volume in 1949 than in 1948. On the other hand, cigars selling for 8 cents and under ~~showed~~ a gain in volume of 9 percent in 1949 compared with 1948. During the last quarter of 1949, this latter group comprised 50 percent of all cigars compared with 43 1/2 percent in the final quarter of 1948. The major subgroup among cigars selling for 8 cents and under are those in the 4.1 to 6-cent bracket, and their number increased nearly one-fifth from 1948 to 1949.

Cigar exports from the United States are relatively small. Approximately 3 million were exported in 1949--a sharp drop from the 13 million exported in 1948, when over one-half went to Germany and Japan under the Army Civilian Supply Program. The 1949 cigar exports were also well below the prewar level.

The Territory of Puerto Rico shipped about 7 million cigars to the United States in 1949 compared with almost 4 1/2 million in 1948.

Cigar imports into the United States in 1949 totaled about 10.9 million, approximately 8 percent less than in 1948. About 10.3 million came from Cuba and about .6 million came from the Philippine Islands. Prior to the war, around 200 million cigars came annually to the United States from the Philippines. Up to 200 million duty-free cigars can be shipped annually by the Philippine Republic to the United States until 1955, when the duty-free quota begins to gradually diminish. Because of the war and its effects, the Philippine cigar industry has been unable to recover its prewar position, and cigar shipments to the United States in the last 3 years have been extremely small in comparison with the quota.

Smoking Tobacco

The 1949 output of smoking tobacco is estimated at 108 million pounds--just about the same as in 1948. The annual total of smoking tobacco manufactured over the past 4 years has fluctuated only to a minor extent. In prewar years, smoking tobacco output averaged about 195 million pounds, but by 1945 it was down to 169 million pounds. The sharpest drop occurred the following year, when production totaled only 106 million during 1946.

The production and consumption of smoking tobacco in 1950 is likely to continue near or slightly above that of 1949. In recent months, there have been some indications of an increase in hand-rolled cigarettes. Tax receipts from cigarette papers during the last half of 1949 were one-fifth larger than in the first half of 1949 and one-fourth larger than in the last half of 1948.

Retail prices of pipe tobacco according to the Bureau of Labor Statistics data for 18 cities increased during the past year. The December 1949 average was 9 percent higher than a year earlier. However, the BLS wholesale price index of smoking tobacco was only up 2 percent in the same period.

United States exports of smoking tobacco in packages and bulk in 1949 totaled 2.2 million pounds the same as in 1948. Packaged smoking tobacco exports were lower, but bulk smoking tobacco exports were larger. Bulk smoking tobacco exports also exceeded those of the late thirties, but packaged smoking tobacco fell below prewar. United States exports of smoking tobacco to Mexico, Haiti, the Dominican Republic, and Canada were up quite sharply in 1949 compared to 1948; but those to Bolivia, Argentina, and the Philippine Republic were less.

Chewing Tobacco

Manufacture of chewing tobacco in the United States fell to a new low in 1949. An estimated 89 million pounds were produced compared with 96 1/4 million in 1948. Each of the past 5 years has been lower than the preceding year. The 1949 figure is 29 percent below that of 1944, when output reached 125 million pounds--the highest since 1931. The 1935-39 average was 112 million pounds. Chewing tobacco consumption and output in 1950 are likely to continue declining gradually.

Based on January-November data, output of plug and scrap chewing fell 8 and 6 percent, respectively, from 1948 to 1949. These two chewing products accounted for about nine-tenths of the total in January-November 1949. Twist and fine-cut chewing accounted for the remainder. Twist output held nearly even with last year, but fine-cut chewing dropped 14 percent.

The BLS index of wholesale prices of chewing tobacco has remained unchanged since the 8 percent rise, which occurred in late 1946.

United States exports of chewing tobacco and snuff are reported only as a single combined figure, but the great bulk of it is plug and twist chewing tobacco. The 1949 total was 2.4 million pounds--down one-third from the 1948 total. The drop in the export of plug chewing appeared to be the main factor in the decline. The Philippine Republic took the largest single quantity, accounting for almost one-half of the total, but her 1949 takings were down sharply from 1948. Australia, the second ranking foreign outlet in 1949, took more. A major reason for the decrease from 1948 to 1949 was the dropping out of Germany and Japan as foreign outlets for United States chewing tobacco.

Snuff

Production of snuff in the United States during 1949 totaled 41 million pounds or practically the same as in 1948. Annual manufacture of snuff in 1946 and 1947 was close to 39 million pounds. Practically all United States produced snuff is used in the United States, where consumption has been quite stable for many years. In the past quarter-century, the smallest annual consumption of snuff was 36 million pounds in 1935, and the peak year was in 1945 with nearly 43 2/3 million pounds. During 1950, snuff consumption is expected to hold fairly close to the 1949 level.

The BLS wholesale price index of dry sweet snuff has been unchanged since early 1948. Just prior to that, a substantial increase occurred.

EXPORTS OF UNMANUFACTURED TOBACCO FROM THE UNITED STATES 1/

United States exports of unmanufactured tobacco in 1949 totaled 498 million pounds valued at 252 million dollars. Both volume and value were one-sixth larger than in 1948--the lowest year since the war. The 1948 exports were not greatly different from the prewar average. The declared value of all unmanufactured tobacco exported in each of the past 2 years averaged close to 50 cents per pound--about 6 percent less than in 1946 and 1947.

United States exports of tobacco in 1950 probably will not be as large as last year but no severe drop seems likely. The reduction in ECA aid and the continued efforts by several countries to bring their imports from dollar areas into closer balance with exports to those areas are factors that may affect their 1950 takings of United States tobacco. Prices of United States leaf in 1950 will be held near or slightly higher than those for the 1949 crop on the basis of present estimates of the probable support levels under the Agricultural Act of 1949. On the other hand, consumption of tobacco in many foreign countries continues to press on available supplies and tobacco stocks in many countries are still relatively low. This, plus the fact that a number of foreign governments obtain large revenues from tobacco, will probably prevent any appreciable reduction in United States exports of tobacco. Some non-dollar areas

1/ Quantities of tobacco in this section are stated in terms of export weight, which is less than the equivalent farm-sales weight.

producing tobacco are planning further expansion over the next few years. While there are difficulties in the way of achieving the goals set up in these areas, some increases in production are likely to be realized. The United States has had the advantage of being the source of high quality leaf, preferred by many foreign manufacturers; and further efforts by the United States growers and exporters to hold this quality advantage are anticipated.

The increase in United States tobacco exports in 1949 compared with 1948 was mostly due to the large quantity taken by Germany and increases to some of the other countries that have been receiving financial assistance from the ECA Program. The United Kingdom was again the largest single foreign outlet in 1949 and got 167 million pounds--about the same as in the calendar year 1948. Although Britain purchased considerably more tobacco from the 1949 crop than from the 1948 crop, the 1948 exports to Britain included a substantial quantity of tobacco purchased from Commodity Credit Corporation loan stocks. Germany was the second ranking foreign outlet for United States tobacco in 1949--getting 87 million pounds compared with 26 million pounds in 1948. Netherlands ranked third and got 34 million pounds--nearly 45 percent more than in 1948. Ireland, France, Denmark, Belgium, and Austria were other countries cooperating in the European Recovery Program, who took more United States tobacco in 1949 than in 1948. Norway, Italy, Sweden, Switzerland, and Portugal took less United States tobacco in 1949 than in 1948. All the countries mentioned above are participating in the European Recovery Program although no grants or loans for tobacco were made to Sweden, Switzerland, or Portugal.

During calendar year 1949, ECA procurement authorizations for tobacco totaled about 163 million dollars compared with about 106 million dollars during April-December 1948. The 163 million dollars authorized for United States tobacco in 1949 was distributed about as follows: United Kingdom, 55 percent; Germany, 17 percent; Ireland, 9 percent; Belgium-Luxembourg, 6 percent; France, 4 percent; Netherlands and Denmark, about 3 percent each; Norway, 2 percent; Austria, 1 percent, and Italy, one-half of 1 percent. Actual shipments of tobacco lag behind authorizations for procurement; therefore, some quantities of tobacco that were approved in the latter part of 1949 will be reported in the 1950 export statistics.

During January of this year, ECA authorizations for tobacco totaled about 4 million dollars. Norway received \$1,900,000; Italy, \$900,000; French North Africa, \$699,000; and the Netherlands, \$500,000.

China got far less tobacco from the United States in 1949 than in 1948. China for many years was the second ranking foreign outlet for United States tobacco. Following the resumption of trade in 1946 when 62 million pounds of United States tobacco were exported to China, the quantities have been successively lower each year until in 1949, only about 3 million pounds were shipped. This decline has been largely due to the disrupting influences of the Chinese War. Prospects for United States tobacco exports to China in the next year or so do not appear promising.

Table 2.- United States exports of unmanufactured tobacco, for specified periods, by types, and to principal importing countries

Type and country	(declared weight)						
	Calendar year			July-December			
	Average	1948	1949	Average	1948	1949	1949 as
	1934-38	1/	1/	1934-38	1/	1/	percent of 1948
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Percent
Flue-cured	324.9	342.7	379.9	216.6	222.1	264.7	119
Burley	11.6	23.4	35.1	5.5	11.4	18.5	162
Maryland	5.5	7.8	7.9	2.2	5.6	4.1	73
Va. fire-cured:	9.7	7.6	4.6	4.7	4.6	2.8	61
Ky. & Tenn. "	53.7	19.9	28.5	19.4	12.0	11.7	98
One Sucker	.7	1.2	6.6	.5	.8	2.1	262
Green River	3.0	.8	3.2	.9	.4	.6	150
Black Fat, etc.	9.0	5.1	4.8	4.6	2.4	2.0	83
Cigar	1.3	6.1	22.4	.8	3.5	6.2	177
Perique	.1	.1	.1	2/	2/	2/	---
Stems, tr., and scrap	17.8	11.9	5.1	9.5	4.0	1.0	25
Total unmfed.	437.3	426.6	498.2	264.7	266.8	313.7	118
Country of destination:							
United Kingdom:	213.9	167.0	167.3	159.9	136.2	152.6	112
France	21.0	.7	15.8	1.4	.7	7.6	1,086
Belgium-							
Luxembourg	15.5	18.0	18.4	8.4	9.5	13.3	140
Netherlands	15.6	23.4	33.8	8.3	15.8	18.0	114
Germany	12.8	26.4	86.9	6.7	20.3	39.6	195
Portugal	4.8	11.8	11.1	2.3	3.4	5.3	156
Denmark	4.6	10.1	11.6	2.9	4.6	3.7	80
Ireland	7.4	12.2	25.3	4.8	10.0	16.5	165
Switzerland	3.8	15.3	10.5	2.0	7.6	6.1	80
Norway	4.7	11.1	7.4	2.9	7.1	4.6	65
Sweden	7.2	11.1	5.8	5.1	6.2	2.3	37
Italy	1.1	4.5	2.5	.6	1.7	.3	18
China	48.2	28.4	3.1	22.9	7.1	2/	---
Australia	18.4	19.1	19.6	8.8	6.6	9.8	144
India 3/	2.6	10.1	7.2	1.5	.5	2.9	580
New Zealand	2.5	4.0	6.2	1.5	1.9	3.5	184
Other countries:	53.2	53.4	65.7	24.7	27.4	27.6	101
Total	437.3	426.6	498.2	264.7	266.8	313.7	118

1/ Preliminary

2/ Less than 50,000 pounds except July-December 1949 which was 54,000 pounds.

3/ Includes Pakistan.

Compiled from publications and records of Department of Commerce.

Australia took a little more United States tobacco in 1949 compared with 1948 while New Zealand showed a sharp relative increase. United States tobacco exports to India dropped nearly 30 percent from 1948 to 1949, but those to Indonesia and Egypt showed substantial increases in the past year.

Most of the various kinds of leaf had a larger export volume in 1949 than in 1948. Flue-cured exports were up 11 percent and accounted for a little over three-fourths of the total. Burley exports recovered substantially in 1949 following the sharp drop from 1947 to 1948 and were the third largest on record. United States exports of Kentucky-Tennessee fire-cured, One Sucker, Green River, and cigar tobacco in 1949 were each well above their 1948 level. Maryland tobacco showed a slight gain; but Virginia fire-cured, Black Fat, and Perique exports in 1949 were smaller than a year earlier.

United States exports of the individual kinds of tobacco during recent years may be compared with those of the 10 years prior to the outbreak of the European war by referring to table 3 on page 15. United States flue-cured exports in 1949 were higher than they were in 6 out of the 10 years from 1929 to 1938. In the past 4 years, flue-cured exports have accounted for close to 80 percent of total United States tobacco exports; while from 1929 to 1938, the average proportion was 72 percent. United States annual exports of Burley since the war have been well above any of the 10 prewar years. The 1949 exports of Burley were more than twice as high as the peak prewar year of 1934. Burley has accounted for an average of nearly 6.6 percent of total United States tobacco exports in the years since the war compared with 2.3 percent for 1929-38. The larger share held by flue-cured and Burley exports in recent years compared with 10 to 20 years ago has resulted from the world-wide trend towards cigarettes made of the lighter tobacco. The trend in cigarette smoking is continuing upward in areas that are not limited by insufficient supplies. Imports of larger quantities of United States leaf will be difficult because of the continuing unbalance of trade between many countries and the United States, which is a major factor restricting the amount of dollar exchange available for purchase of United States tobacco.

United States exports of Maryland tobacco diminished fairly steadily during the 10 years ending with 1938. In the years since the war, exports of Maryland tobacco have been larger than in the late thirties but still below the average of the 1929-33 period. In the middle and late twenties, when France took substantial amounts, an even larger quantity of Maryland was exported than in 1929-33. Although the major share of Maryland tobacco is now used in cigarette manufacture in this country, exports in recent years accounted for around one-fifth of total disappearance.

United States exports of dark fire-cured tobacco were trending steadily downward even before the war. Since 1945 yearly exports of Virginia fire-cured and also Kentucky-Tennessee fire-cured for each year have been below every year from 1929 to 1938. In the past 4 years, Virginia fire-cured and Kentucky-Tennessee fire-cured made up only about 1.7 and 6.0 percent, respectively, of all United States tobacco exports; while from 1929 to 1938, they averaged 2.7 and 14.4 percent.

Table 3.- United States exports of unmanufactured tobacco,
by classes, 1929-49

(declared weight)

Calendar year	Flue-cured	Burley	Maryland	Virginia fire-cured	Kentucky-Tennessee see fire-cured	One Sucker	Green River	Black Fat, etc.	Cigar	Stems, trimmings, and scrap	Total ^{1/}
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
1929	410.8	5.3	11.6	24.1	79.8	3.2	10.4	5.7	4.4	10.6	565.9
1930	397.7	9.6	9.7	15.4	105.4	2.8	7.9	8.1	4.2	18.7	579.5
1931	388.3	8.9	7.5	11.4	68.0	1.5	5.3	8.7	3.8	20.9	524.3
1932	255.3	12.3	10.2	14.4	79.4	1.0	4.4	10.0	.7	23.4	411.1
1933	297.9	10.6	9.2	11.9	76.6	1.1	2.5	8.6	1.9	18.5	438.8
1934	306.0	16.4	7.1	11.4	65.4	1.1	2.2	7.8	1.5	21.9	440.8
1935	289.6	8.8	4.7	9.5	52.6	1.2	3.6	10.4	.8	15.1	396.3
1936	315.9	10.5	6.1	9.3	49.5	.8	3.6	10.3	.6	18.5	425.1
1937	327.7	10.4	5.3	9.6	52.7	.2	2.1	8.7	.9	17.0	434.6
1938	385.2	11.7	4.5	8.5	48.4	.5	3.6	7.7	2.5	16.2	488.8
1939	246.0	11.7	6.3	8.3	41.7	2.1	2.3	7.2	1.5	31.3	358.4
1940	167.2	7.4	2.3	3.3	29.2	1.5	.4	5.2	.5	18.6	235.6
1941	232.9	6.0	2.5	4.3	9.8	1.2	.5	3.5	1.9	7.0	269.6
1942	212.1	5.2	.9	6.4	8.1	.2	.5	3.0	.3	.1	236.8
1943	368.6	4.1	1.3	4.0	10.3	.5	.5	3.2	.7	.2	393.4
1944	251.4	8.1	1.7	4.0	8.0	1.0	.6	2.0	2.2	1.2	280.2
1945	377.4	11.6	2.9	6.6	58.8	3.3	1.6	3.2	5.2	1.9	472.5
1946	545.7	35.1	6.4	7.7	30.6	3.7	2.5	5.7	5.0	20.6	663.0
1947 ^{2/}	400.1	43.0	6.3	7.6	21.3	2.0	1.5	4.9	6.1	14.2	507.0
1948 ^{2/}	342.7	23.4	7.8	7.7	19.9	1.2	.8	5.1	6.1	11.9	426.6
1949 ^{2/}	379.9	35.1	7.9	4.6	28.5	6.6	3.2	4.8	22.4	5.1	498.1
Percent of total											
1929	72.6	.9	2.0	4.3	14.1	.6	1.8	1.0	.8	1.9	100.0
1930	68.6	1.6	1.7	2.7	18.2	.5	1.4	1.4	.7	3.2	100.0
1931	74.1	1.7	1.4	2.2	13.0	.3	1.0	1.6	.7	4.0	100.0
1932	62.1	3.0	2.5	3.5	19.3	.2	1.1	2.4	.2	5.7	100.0
1933	67.9	2.4	2.1	2.7	17.5	.2	.6	2.0	.4	4.2	100.0
1934	69.4	3.7	1.6	2.6	14.8	.3	.5	1.8	.3	5.0	100.0
1935	73.1	2.2	1.2	2.4	13.3	.3	.9	2.6	.2	3.8	100.0
1936	74.3	2.5	1.4	2.2	11.6	.2	.9	2.4	.1	4.4	100.0
1937	75.4	2.4	1.2	2.2	12.1	.1	.5	2.0	.2	3.9	100.0
1938	78.8	2.4	.9	1.8	9.9	.1	.7	1.6	.5	3.3	100.0
1939	68.6	3.3	1.8	2.3	11.6	.6	.7	2.0	.4	8.7	100.0
1940	71.0	3.1	1.0	1.4	12.4	.6	.2	2.2	.2	7.9	100.0
1941	86.4	2.2	.9	1.6	3.6	.5	.2	1.3	.7	2.6	100.0
1942	89.6	2.2	.4	2.7	3.4	.1	.2	1.3	.1	---	100.0
1943	93.7	1.1	.3	1.0	2.6	.1	.1	.8	.2	.1	100.0
1944	89.7	2.9	.6	1.4	2.9	.4	.2	.7	.8	.4	100.0
1945	79.9	2.5	.6	1.4	12.4	.7	.3	.7	1.1	.4	100.0
1946	82.3	5.3	1.0	1.2	4.6	.5	.4	.9	.7	3.1	100.0
1947	78.9	8.5	1.2	1.5	4.2	.4	.3	1.0	1.2	2.8	100.0
1948	80.3	5.5	1.8	1.8	4.7	.3	.2	1.2	1.4	2.8	100.0
1949	76.3	7.1	1.6	.9	5.7	1.3	.6	1.0	4.5	1.0	100.0

1/ Does not include Perique which has been below 200,000 pounds in every year except 1942, when it was 828,000 pounds.

2/ Preliminary.

One Sucker and Green River are dark air-cured types of tobacco which are exported as leaf, and One Sucker makes up the bulk of the semiprocessed product classified for export as Black Fat, Water Baler, and Dark African. During the 1929-38 period, One Sucker and Green River tobacco exports trended downward, while exports of Black Fat, etc., held comparatively steady or increased a little. Exports of One Sucker were relatively large in 1945 and 1946 but dropped closer to prewar levels in 1947 and 1948. The 1949 exports of One Sucker were unusually large. Since the war until the upturn in 1949, exports of Green River tobacco continued the downtrend, which began in pre-war years. The Government export subsidy program, which encouraged shipments of these types in late 1948 and early 1949, was a major factor in boosting the 1949 total. Exports of Black Fat in the past 4 years have averaged only about three-fifths of the 1929-38 average.

United States exports of cigar tobacco declined during the 1929-38 period from over 4 million pounds to less than 1 million pounds in the middle "thirties." A brief upturn occurred in 1938 when Germany got an unusual amount. Since the war, United States cigar tobacco exports have exceeded every year of the 1929-38 period. An exceptionally large amount of cigar tobacco was shipped from the United States in 1949. The heavier than prewar cigar tobacco exports in the past 4 or 5 years have been mostly due to the unavailability of Sumatra and Java tobacco, which prior to the war, went to Europe in large quantities. A substantial share of the 1949 United States cigar tobacco exports was Puerto Rican type 46. As further recovery is made in tobacco production in Indonesia, exports of United States cigar tobacco are likely to decline.

From 1930 to 1938, tobacco stems, trimmings, and scrap combined composed between 3 and 6 percent of the total unmanufactured tobacco exports from the United States. The major proportion of the stems, trimmings, and scrap combined was stems, most of which went to China; although for 2 or 3 years in the early 1930s, Germany took even more than China. Following World War II, the 1946 exports of this category were high; but for each successive year, they have dropped off mainly because the war conditions in China disrupted United States-Chinese trade. In 1949, United States exports of stems, trimmings, and scrap were well below one-half of those in 1948 and over 70 percent lower than the 1929-38 average.

British Tobacco Situation

The United Kingdom imported a total of 301 million pounds of unmanufactured tobacco in 1949--7 percent more than in 1948. The 1949 total was larger than any year in the decade before the World War II except 1938, but was substantially smaller than her large tobacco imports in 1945 and 1946. In 1949, as for many years, the chief source was the United States, which accounted for 51 percent of total tobacco imports into Britain. The United States share has shrunk in the last couple of years. The proportion from the United States in 1948 was 61 percent; but in 1934-38, it averaged 78 percent. The second ranking supplier of leaf tobacco to the United Kingdom in 1949 was Southern Rhodesia, from whom the British got about 46-1/2 million pounds or 15 percent of the total--about the same percentage

as in 1948. In both the last 2 years, the share held by Southern Rhodesia was well above 1934-38, when it averaged less than 6 percent. Britain got much more tobacco from India in 1949 than in 1948. Her 1949 tobacco imports from India totaled 38 million pounds--two thirds higher than in 1948 and 2 or 3 times that of any of the inter-war years except 1938. The proportion from India in 1949 was nearly 13 percent compared with 8 percent in 1948 and 6-1/3 percent in 1934-38. British tobacco imports from Canada in 1949 totaled about 13 million pounds--just about the same as in 1948. The proportionate share supplied by Canada was close to 4-1/2 percent in each of the last 2 years compared with an average of about 3-1/2 percent in 1934-38.

The great bulk of United States tobacco exports to Britain is flue-cured; and Southern Rhodesia, India, and Canada also provide mostly this same class of tobacco to Britain.

Nyasaland tobacco shipments to Britain are made up of a larger proportion of the dark fire-cured types. British imports from Nyasaland in 1949 totaled close to 18 million pounds--one-fourth larger than in 1948 and also more than in any other previous year. Nyasaland accounted for nearly 6 percent in 1949 compared with 5 percent in 1948 and about 4-1/2 percent in 1934-38.

Britain imported 20 million pounds of tobacco from Turkey in 1949--double the 1948 quantity, which was the previous record. In most prewar years, Britain took less than 1 million pounds of Turkish tobacco. Nearly 6 million pounds of Greek tobacco were imported by Britain in 1949. This was well above that of 1948 and also any other year except 1947. Turkish and Greek tobacco composed 8-1/2 percent of total British tobacco imports in 1949 compared with an average of less than one-half of 1 percent in 1934-38.

Stocks of tobacco in Britain at the end of November 1949 totaled 409 million pounds--5 percent above those of November 1948. Prior to the war, November stocks from 1934 to 1938 averaged 487 million pounds. Gross clearances of tobacco from bond in the 1934-38 period averaged 232 million pounds, and the level of stocks in those years averaged about 200 percent of gross clearances. During the year ending November 30, 1949, British stocks averaged only 133 percent of gross clearances. This relationship was practically the same as in the preceding year.

British home consumption of tobacco during 1949 is estimated at about 212 million pounds compared with 213-2/3 million in 1948 and 174 million in 1934-38. The home consumption of tobacco from British preferential areas accounted for about 34 percent in 1949 compared with 28 percent in 1948 and 23 percent in 1934-38.

British manufactured tobacco exports at 47 million pounds were nearly 5 percent larger than in 1948 and about one-fifth larger than the 1934-38 average. In the last 2 years, close to 95 percent of these tobacco exports were cigarettes compared with two-thirds in the prewar period. Singapore, Malaya, Australia, and Hong Kong are among the largest outlets and, together with other Commonwealth countries, took approximately three-fourths of the total manufactured tobacco exports of the United Kingdom in the past 2 years. The remaining one-fourth went to Belgian Congo, Germany, Egypt, Sweden, and other foreign countries.

Table 4.- United Kingdom unmanufactured tobacco imports from major supplying countries, quantity and average value per pound for specified periods

Time period	Supplying country					
	United States	Southern Rhodesia	India	Canada	Nyasaland	Turkey
Unstripped tobacco--thousand pounds						
1948	169,734	30,498	1,753	12,211	7,502	10,155
1949						
Jan.-Sept.	66,495	17,218	4,001	11,286	6,085	16,692
Oct.-Dec.	84,027	17,364	1,880	1,588	5,408	3,301
Average value per pound--pence						
1948	34.0	43.9	21.9	32.7	33.9	33.9
1949						
Jan.-Sept.	35.2	46.7	25.9	35.9	37.4	38.5
Oct.-Dec.	45.9	46.8	17.6	48.1	35.9	42.6
Percentage change in average value per pound						
1948 to Jan.-Sept. 1949	+3.5	+6.4	+18.3	+9.8	+10.3	+13.6
1948 to Oct.-Dec. 1949	+35.0	+6.6	-19.6	+47.1	+5.9	+25.7
Stripped tobacco--thousand pounds						
1948	2,649	13,353	21,062	475	6,571	---
1949						
Jan.-Sept.	2,097	7,215	22,443	64	3,549	---
Oct.-Dec.	1,461	4,673	10,008	41	2,727	---
Average value per pound--pence						
1948	44.1	49.3	31.6	30.8	34.3	---
1949						
Jan.-Sept.	47.8	50.0	39.7	45.0	40.4	---
Oct.-Dec.	56.7	48.6	31.8	52.7	41.9	---
Percentage change in average value per pound						
1948 to Jan.-Sept. 1949	+8.4	+1.4	+25.6	+46.1	+17.8	---
1948 to Oct.-Dec. 1949	+28.6	-1.4	+.6	+71.1	+22.2	---

Compiled and computed from data in Accounts Relating to Trade and Navigation of the United Kingdom.

After devaluation by the United Kingdom in September 1949 about 44 percent more British currency was required to obtain any given amount of United States currency, and the price of United States tobacco to British importers in terms of their own currency increased. The rise in the value per pound of United States tobacco imported into Britain in late 1949 illustrates this. (See table 4.)

In the final quarter of 1949, the average value per pound of unstripped tobacco imported from the United States was 45.9 pence--around one-third above its average value in January-September 1949 and in the year 1948. The average value of unstripped tobacco from Southern Rhodesia, a country which devalued its currency along with the United Kingdom, was 46.8 pence per pound in the final quarter of 1949. This was practically the same as during January-September 1949 and not much higher than in 1948. Tobacco imported from Canada also had a much higher average value in the final quarter of 1949 than in earlier periods. Canada did not devalue nearly as sharply as did the United Kingdom. India and Nyasaland had the same percentage devaluation as the United Kingdom. Turkey has generally followed multiple currency exchange practices and no devaluation announcement was made. In connection with comparisons of the average value data for other countries, there are other kinds of tobacco and differing proportions of stripped and unstripped tobacco to be considered. The great bulk of the imports of both unstripped and stripped tobacco from the United States, Southern Rhodesia, and Canada was flue-cured. A large proportion of the tobacco imported from India was stripped tobacco. About three-fourths and nine-tenths was flue-cured in 1948 and 1949 respectively. Around two-thirds of the tobacco imports from Nyasaland were unstripped in 1949 compared with a little more than one-half in 1948. Only about 10 to 20 percent of the Nyasaland tobacco including both stripped and unstripped was flue-cured and most of the remainder was fire-cured.

IMPORTS AND SHIPMENTS 2/

In 1949, United States imports of tobacco for consumption totaled 88 million pounds--about 4 percent above the 1948 total of 84 million pounds. Around three-fourths of the total United States tobacco imports in the last 2 years was cigarette leaf. United States imports of cigarette leaf increased each year from 1944 through 1948, but in 1949, only held even with 1948. Cigarette leaf imports, although 44 percent above the prewar average, have not increased as sharply as United States cigarette production, which more than doubled since prewar. Of the 64 million pounds of cigarette leaf imported in 1949, Turkey supplied approximately 70 percent; and Greece ranked second, accounting for 15 percent. Imports from Turkey in 1949 were nearly the same as in 1948 while those from Greece were up one-fifth. Tobacco imports from Syria, Bulgaria, the Soviet Union, and Yugoslavia were lower. Those from Southern Rhodesia held about even. United States stocks of foreign grown cigarette and smoking tobacco on October 1, 1949, totaled 134 million pounds--one-fifth larger than a year earlier and twice the prewar average.

2/ Imports of tobacco from foreign countries and shipments of the Territory of Puerto Rico to the United States are on a declared-weight basis.

Table 5.- United States imports for consumption of unmanufactured tobacco,
from principal supplying countries and shipments
from Puerto Rico, for specified periods

Classification and country of origin	(declared weight)						
	Calendar year			July-December			
	Average: 1948 : 1949			Average: 1948 : 1949			
	: 1934-38: 1/			: 1934-38: 1/			
	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Percent
Total imports 2/	66.4	84.3	88.0	33.5	42.6	42.1	99
Cigarette leaf							
Unstemmed	44.4	64.1	64.1	22.6	32.4	30.8	95
Turkey	18.2	45.3	45.1	9.7	22.5	22.0	98
Greece	18.8	8.1	9.9	9.2	4.3	4.6	107
Syria	.5	4.5	3.7	.3	2.5	1.7	68
Bulgaria	.6	2.3	1.5	.3	1.1	.8	73
U.S.S.R.	.1	2.0	1.8	.1	1.1	.8	73
So. Rhodesia	3/	1.3	1.3	.0	.7	.6	86
Yugoslavia	.0	.5	.4	.0	.2	.1	50
Cigar leaf (filler):							
Stemmed	7.2	10.8	11.7	3.8	5.8	5.9	102
Cuba	7.1	10.8	11.7	3.8	5.8	5.9	102
Unstemmed	4.1	4.1	4.1	2.1	1.7	2.2	129
Cuba	4.1	4.0	4.1	2.1	1.7	2.2	129
Scrap	5.2	3.8	5.4	2.6	2.3	2.8	122
Cuba	2.9	3.7	5.0	1.4	2.3	2.8	122
Philippines	2.3	.1	.3	1.2	.0	.0	---
Cigar wrapper	2.7	1.0	.8	1.2	.4	.4	100
Indonesia 4/	1.9	.8	.6	1.1	.3	.2	67
Philippines	.6	.0	.0	---	.0	.0	---
Cuba	.2	.2	.2	.1	.1	.1	100
Total from Cuba	14.3	18.7	21.0	7.4	9.9	11.0	111
Shipments from Puerto Rico							
Total	22.5	15.2	17.9	13.9	7.8	11.6	144
Stemmed	17.4	9.6	10.1	10.7	4.0	6.2	152
Unstemmed	.1	3/	.2	.1	3/	3/	---
Scrap	5.0	5.6	7.6	3.1	3.8	5.4	132

1/ Preliminary.

2/ Includes tobacco stems, not cut, ground, or pulverized, not shown separately.

3/ Less than 50,000 pounds.

4/ Formerly shown as originating in Netherlands Indies or Netherlands.

Compiled from publications and records of Department of commerce.

United States imports of stemmed cigar filler and also scrap increased in 1949 over 1948, but imports of unstemmed cigar filler was the same in both years. Cigar wrapper imports were below the relatively small quantity that came in a year earlier. Total cigar tobacco imports from Cuba in 1949 were 12 percent above those in 1948. Cigar wrapper imports from Indonesia were about one-fourth less in 1949 than in 1948 while those from Cuba held nearly even. United States stocks of Cuban tobacco on October 1 totaled 19.4 million pounds--one-fifth lower than a year earlier but more than double the prewar average. United States stocks of Sumatra and Java tobacco, originating in what is now Indonesia, were less than one-half million pounds--practically the same as a year earlier but far below the 1935-38 average of 1.9 million pounds.

Shipments of tobacco from Puerto Rico were nearly 18 percent larger in 1949 than in 1948. The stemmed tobacco made up 57 percent of the total shipments, and scrap tobacco accounted for practically all of the remainder. In prewar years, more than 75 percent of the total shipments was stemmed tobacco.

FLUE-CURED, TYPES 11-14

1949 Prices Average lower Than in 1948 Season

Flue-cured prices averaged about 47.2 cents for the 1949 season compared with 49.6 cents during the 1948 season. The firm domestic demand for cigarette tobacco and the foreign demand, buoyed by ECA financial aid, maintained the price average well above the support level of 42.5 cents per pound. Cigarette production during 1949 continued near the high 1948 level as increased domestic consumption largely offset the decline in cigarette exports. Foreign buying was particularly heavy prior to devaluation.

Average prices for gross sales (including resales) of the individual types for the past season and the previous one are as follows:

	<u>Marketing season</u>		<u>Percent</u>
	<u>1948</u>	<u>1949</u>	
	<u>Cents per</u>	<u>Cents per</u>	<u>decrease</u>
	<u>pound</u>	<u>pound</u>	
Old Belt, type 11 (a)	49.2	45.6	7.3
Middle Belt, type 11 (b)	50.1	47.7	4.8
Eastern North Carolina, type 12	49.3	48.6	1.4
Border Belt, type 13	50.5	48.9	3.2
Georgia-Florida, type 14	47.2	40.1	15.0

Type 14 markets, the earliest to open, began in late July, and the crop in this belt was more than one-fifth larger than in 1948. The 1949 yield per acre in this belt was the highest on record. Prices received by type 14 growers, although down one-sixth from the previous season's record, were the third highest on record. About 15 percent of the deliveries were placed under Government loan.

Type 13 markets opened in early August and the crop in the Border Belt ran nearly 11 percent larger than in 1948. The 1949 flue-cured yields per acre in this belt averaged higher than those of any belt in any previous year. Prices received by growers selling in the type 13 markets averaged only 3 percent below the previous season's record and were the third highest on record. About 10 1/2 percent of deliveries were placed under Government loans.

Type 12 markets began in the latter half of August, and the crop in the Eastern North Carolina Belt was only slightly larger than in 1948. The 1949 yield per acre was a little lower than in 1948. The average price received at the auctions in this belt was only very slightly below that of the 1948 season. The only other years in which the 1949 price average has been exceeded were 1919 and 1946. Tobacco placed under loan at these markets was only between 4 and 5 percent of total deliveries,

Type 11(b) markets opened about the first of September. In 1949, the total type 11 crop ran about 8 percent smaller than in 1948, but sales in the Middle Belt 11(b) markets were down 13 percent from the previous year. The 1949 average yields per acre of type 11 dropped more than one-tenth below those of 1948 and were the lowest in 5 years. Prices on the Middle Belt markets averaged about 5 percent lower than in the previous season and were the third highest ever recorded. Tobacco placed under Government loan in these markets was a little less than 7 percent of deliveries.

Type 11(a) markets, which opened just before mid-September, also had a lower volume than in 1948 because of the smaller type 11 crop. The number of pounds sold in Old Belt 11(a) markets in 1949 was 5 percent smaller than in 1948. Prices received in 1949 averaged about 7 percent less than in the 1948 season but exceeded every other previous year except 1919. Tobacco placed under Government loan comprised about 14 percent of deliveries to markets in this belt.

Based on 90 percent of the June 15, 1949, parity, the Government loan rates by grades were generally lower than for the 1948 season. The flue-cured parity declined about 3 percent from June 1948 to June 1949--reflecting the decline of the index of prices paid by farmers. The 1949 support level for all flue-cured combined was 42.5 cents per pound compared with 43.9 cents for the 1948 season. The type 14 (untied) was supported at 38.9 cents per pound in 1949 and types 11-13 (tied), at 42.9 cents per pound.

The quantity of flue-cured placed under Government loan during the 1949 season totaled about 103 million pounds compared with 106 million in the 1948 season. The total flue-cured crop in 1949 was very slightly larger than in 1948, and the proportions placed under loan were practically the same--9.3 percent in 1949 and 9.7 percent in 1948. More tobacco in Georgia-Florida and in the South Carolina-Border North Carolina Belt but less from Eastern North Carolina and the Old and Middle Belts went under Government loan in 1949 compared with 1948.

Table 6. Flue-cured tobacco, types 11-14: Domestic supplies, disappearance and season average price, average 1934-38, annual 1939-49

(farm-sales weight)

Year	:	Production:	:	Stocks July 1	:	Supply	:	Disappearance			:	Average price per pound Cents		
								1/	2/	2/				
													Total	Domestic
		Mil. lb.		Mil. lb.		Mil. lb.		Mil. lb.		Mil. lb.				
Av. 1934-38	:	741		845		1,586		704		338		366		22.9
1939	:	1,171		946		2,117		707		417		290		14.9
1940	:	760		1,410		2,170		577		421		156		16.4
1941	:	650		1,593		2,243		783		492		291		28.1
1942	:	812		1,460		2,272		893		604		289		38.4
1943	:	790		1,379		2,169		980		625		355		40.2
1944	:	1,087		1,189		2,276		1,150		696		454		42.4
1945	:	1,173		1,126		2,299		1,152		665		487		43.6
1946	:	1,352		1,147		2,499		1,212		661		551		48.3
1947	:	1,317		1,287		2,604		1,054		695		359		41.2
1948 2/	:	1,090		1,550		2,640		1,102		715		387		49.6
1949 2/	:	1,112		1,538		2,650								47.2

1/ Year beginning July 1. 2/ Subject to revision.

Flue-Cured Supplies About Same as Last Year

Supplies of flue-cured for 1949-50 total 2,650 million pounds compared with 2,640, a year earlier. Production in 1949 of 1,112 million pounds was 2 percent larger than in 1948 while carry-over was a fraction of 1 percent smaller.

The total acreage allotment for 1950 is 970,000 acres, about 10,000 acres larger than last year. Harvested acreage last year was less than 2 1/2 percent short of the allotment. If yields per acre should equal the average of the most recent 5 years, 1950 production would be close to 1,100 million pounds. The carry-over on July 1, 1950, is likely to approximate 1,540 million pounds; and assuming production at 1,100 million pounds, total supplies for 1950-51 would be 2,640 million pounds--nearly the same as for the current year.

Domestic Use and Exports

Domestic use of flue-cured in the current marketing year (July 1949-June 1950) is expected to be about 715 million pounds--the same as in 1948-49. Cigarette production has continued high with the small increase in United States consumption tending to offset the sharp percentage decrease in cigarette exports. Cigarette exports accounted for about 5 percent of total cigarette output in 1949. Cigarette manufacture will probably continue large during 1950, but the uptrend in domestic use has shown a tendency to level off in recent months. The expected continuation of relatively high personal income in the United States will favor a near-peak consumption of cigarettes in 1950. Exports of cigarettes in the year ahead are likely to drop further as Philippine takings decrease. Some other countries also may take smaller quantities than in recent years.

Flue-cured exports in 1948-49 totaling 387 million pounds (farm-sales weight) were 8 percent above the previous year. Exports during the current marketing year may reach 400 million pounds (farm-sales weight). During the first half of the 1949-50 marketing year (July-December 1949), about 303 million pounds (farm-sales weight) of flue-cured were shipped to foreign destinations compared with 255 million in July-December 1948. The United Kingdom took 57 percent of the 6-month total and Germany was second with 11 1/2 percent. The British takings were one-tenth larger than in July-December 1948 and those to Germany were about twice as large. Next ranking takers in the 6 months, July-December 1949, were Netherlands and Ireland, accounting for about 6 percent each. These 2 countries and Belgium-Luxembourg, Denmark, Switzerland, India, New Zealand, Hong Kong, Palestine, French Indo China and Egypt took more than in the same period a year earlier. However, Sweden took very little in contrast to nearly 5 million pounds in July-December 1948 and shipments to Norway were down 36 percent. Other countries getting smaller quantities of flue-cured were Austria, Portugal, Finland, and China. Exports to China, a large prewar outlet, were negligible during the second half of 1949 as the result of unsettled conditions arising out of the Chinese War.

During the last half of 1949, the Economic Cooperation Administration announced procurement authorizations totaling about 113 million dollars for United States flue-cured tobacco. This would provide for roughly 240 million pounds of flue-cured on a farm-sales-weight equivalent basis. Only part of this tobacco moved into export during the second half of 1949 since physical movement lags behind authorizations. About 70 percent of the total flue-cured authorized was for the United Kingdom with Ireland and Trizone Germany ranking next with about 8 1/2 percent each of the total. Other countries receiving grants for flue-cured tobacco in the second half of 1949 in order of importance were the Netherlands, Belgium-Luxembourg, Denmark, Austria, Norway, France and French Territories, and Italy.

Flue-cured exports during 1950-51 may not be as large as those of the current year. Although stocks of tobacco in many European countries are still relatively low, the necessity for conserving dollars and the tapering off of the European Recovery Program will tend to reduce tobacco imports from dollar areas.

Price Supports for 1950

Price supports for the 1950 crop of flue-cured will be based on 90 percent of parity as calculated under the new method provided in the Agricultural Act of 1949. This method is illustrated with preliminary data in the following steps:

1. Average the season prices of flue-cured for the most recent 10 years. The 1940-49 average price for flue-cured is 39.5 cents per pound.
2. Divide this 1940-49 flue-cured average price by the average of the Index of Prices Received by farmers for agricultural commodities in the same 10 preceding calendar years (i.e., 1940-49) to arrive at an "adjusted base price" for flue-cured. The 10-year 1940-49 over-all Index of Prices Received by Farmers is 202 (1910-14 = 100).

39.5 cents per pound \div 202 = 19.6 cents per pound--the adjusted base price for flue-cured.

3. Multiply the adjusted base price of flue-cured by the Parity Index (The Index of Prices Paid by Farmers, Including Interest Taxes, and Wage Rates, with 1910-14 = 100). On January 15, 1950, this index was 249.

19.6 cents X 249 = 48.8 cents per pound. This would represent the parity price of flue-cured as of January 15, 1950.

The Agricultural Act of 1949 provides that insofar as practicable, the level of price support shall be announced in advance of the planting season. It is expected that such an announcement will be made in the near future. Support prices will again be computed at the beginning of the marketing season (July 1 for flue-cured) and if the parity price then is above that previously estimated for the price support announcement, a proportionately higher support level will go into effect. Otherwise the price support will remain the same as announced before the planting season. It now appears likely that the 1950 support level for flue-cured will be only slightly lower than 90 percent of its parity price as of January 15. This is because the Parity Index is not expected to decline much by June 15, 1950, the effective date with respect to determining the price support level applicable to the 1950 flue-cured crop. As indicated above, flue-cured parity on January 15 was calculated at 48.8 cents per pound, and 90 percent of it is 43.9 cents per pound. The support level for the 1949 crop was 42.5 cents per pound, and the prices received by growers averaged about 47.2 cents a pound.

BURLEY, TYPE 31

Burley Prices Average Slightly Below Last Season

The great bulk of the 1949 Burley crop was sold for an average of 45 cents per pound. This is only about 1 cent per pound below the 1948 crop average and has been exceeded in only 2 other previous years--1947, which set a record high of 48 1/2 cents; and 1943, when the average was 45.6 cents. The demand for Burley was generally firm in the face of record supplies, although average weekly prices dropped as the selling season tapered off in late January and early February. The 1949 crop was a little smaller than the 1948 crop, but the Burley carry-over on October was the highest in history. The demand for Burley was strengthened by the expected continuation of high level cigarette manufacture--its largest outlet. The principal other domestic uses are smoking tobacco, which has held steady in recent years, and plug chewing tobacco, which dropped to a new low in 1949.

Following the first week of Burley sales until the second week in January, each weekly average price topped that of the preceding week. The price average for opening week was 44.9 cents per pound and for the 3-day week ending January 6, was 47.7 cents. The next week the price average dropped back to 44.6 cents and since then has continued to decline. The volume of Burley sold in the pre-holiday period during the 1949-50 season was considerably less than in the same period of the 1948-49 season. The crop, in general, was considered to be of very good smoking quality even though the bulk of the sales for the season consisted of a large proportion of fair and low grades of all groups. Quality of tobacco was generally lower in the final weeks of sale.

Table 7.- Burley tobacco, type 31: Domestic supplies, disappearance, and season average price, average 1934-38, annual 1939-49

(farm-sales weight)							
Year	Production	Stocks Oct. 1	Supply	Disappearance 1/ Total	Domestic 2/ Exports 2/	Average price per pound	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Cents
Av. 1934-38:	287	701	988	314	302	12	22.2
1939	395	684	1,079	317	305	12	17.3
1940	377	762	1,139	341	335	6	16.2
1941	337	798	1,135	380	374	6	29.2
1942	344	755	1,099	413	407	6	41.8
1943	392	686	1,078	427	418	9	45.6
1944	591	651	1,242	483	474	9	44.0
1945	577	759	1,336	483	448	35	39.4
1946	614	853	1,467	526	476	50	39.7
1947	485	941	1,426	524	496	28	48.5
1948 2/	603	902	1,505	531	489	42	46.0
1949 2/	586	974	1,560				45.1

1/ Year beginning October 1.

2/ Subject to revision.

The level of price support in effect during the season was 90 percent of the Burley parity on September 15, 1949. Burley parity on that date was 44.8 cents per pound, and the support price for the 1949 crop was 40.3 cents (44.8 cents X 90 percent). The support price for the 1948 Burley crop was 42.4 cents per pound. The index of prices paid by farmers declined about 5 percent between September 15, 1948, and September 15, 1949. A far smaller proportion of Burley was placed under Government loan in the 1949-50 season than in the previous season. The receipts placed under loan totaled about 38 million pounds through mid-February. This was approximately 7 percent of total deliveries; while during the 1948-49 season, about 97 million pounds or 16 percent of net sales were put under Government loan.

Burley Supplies at a Record High

Total supplies of Burley for the current marketing year--October 1949-September 1950--are approximately 1,560 million pounds--nearly 4 percent above the previous record high of a year ago. The December estimate of the 1949 Burley crop was 586 million pounds compared with 603 million pounds in 1948. The 1949 harvested acreage at 449,000 was about 4 percent above that of 1948, but per acre yields dropped nearly 7 percent. The decrease in production was more than offset by the 72-million-pound rise in carry-over from October 1, 1948, to October 1, 1949. This was an 8-percent increase--making October 1, 1949, stocks higher than those held on that date in any previous year.

On November 26, 1949, Burley growers voted heavily in favor of a continuation of marketing quotas on the 1950, 1951, and 1952 crops. The 1950 marketing quota of 496 million pounds mean a total acreage allotment of about 421,500 acres--about 10 percent less than in 1949. Harvested acreage in 1949 was only about 4 percent short of the total allotment. If yields per acre in 1950 should equal the average of the most recent 5 years, 1950 production would probably approximate 510 million pounds--around 13 percent less than the 1949 crop. Carry-over next October 1 will show a further rise; but in view of the anticipated smaller 1950 crop, total supplies for 1950-51 seem likely to be around 1,530 million pounds. This would be 2 percent lower than in the current year.

Domestic Use and Exports

In the year ending September 30, 1949, the domestic use of Burley was about 489 million pounds--slightly smaller than the previous year's record. The 1949-50 domestic use is expected to be fairly close to this, largely because of the continuation of relatively high cigarette production. Smoking tobacco consumption will probably be as large or even a little above last year, but plug chewing may dip a little further.

The exports of Burley during the 1948-49 marketing year were nearly 42 million pounds (farm-sales weight)--well above the 27-1/2 million pounds in 1947-48, and the second largest on record. The 1949-50 Burley exports may not be quite as large, but they are not expected to drop to the 1947-48 level. During the marketing year ending last September 30, Germany got about a third of the total Burley exports, while a year earlier, less than a million pounds went to that country. The next ranking foreign outlets for Burley were Portugal, Netherlands, Belgium-Luxembourg, Denmark, Norway, Egypt, and Mexico. All these countries took more Burley in 1948-49 than a year earlier except Netherlands which got about the same amount, and Belgium whose takings were down about one-sixth.

During the last quarter of 1949 (which is the first quarter of the 1949-50 marketing year), Burley exports totaled about 7.0 million pounds (farm-sales weight) compared with 8.6 million pounds in the final quarter of 1948. The largest quantities in the recent quarter went to Belgium, Portugal, Sweden, Germany, and Austria.

From July 1 through January, the ECA announced procurement authorizations for Burley tobacco amounting to nearly 4-1/2 million dollars for about 13-1/3 million pounds (farm-sales weight). Three-eighths of this quantity was approved for Germany, a little over one-fourth for Belgium, and the rest for Austria, France (including French Territories), Norway, Britain, Denmark, and Netherlands.

Total ECA expenditures during 1950-51 are planned at a reduced rate, and foreign countries will be making efforts to strengthen their foreign exchange position. This may mean lower United States tobacco exports during the next marketing year if foreign purchases are trimmed.

Price Supports for
the 1950 Crop

Price supports for the 1950 crop of Burley will be based on 90 percent of parity as calculated under the new method provided in the Agricultural Act of 1949. This method is illustrated on page 24 with preliminary figures for flue-cured tobacco. Using the January 15, 1950, Parity Index, a similar set of calculations for Burley using preliminary data would give identical results as follows: The 1940-49 average price for Burley is 39.5 cents per pound; the "adjusted base price" would then be 19.6 cents per pound; and the parity price of Burley as of January 15, 1950, would be 48.8 cents per pound. These Burley figures coincide with those used for flue-cured because the 10-year average (1940-49) of each of these two kinds of tobacco happen to be the same even though prices in individual years differ.

As indicated above, Burley and flue-cured have the same "adjusted base price" for calculating their parities in 1950. However, their price supports could be different because for flue-cured, it will be determined by the position or expected position of the Parity Index as of June 15; and for Burley, by the position or expected position of the Parity Index as of September 15. A small decline in the Parity Index seems likely by the Fall of 1950. Ninety percent of the January parity for Burley is 43.9 cents per pound. It is likely that the 1950 price support will exceed the 40.3 cents per pound loan level applying to the 1949 crop.

The Agricultural Act of 1949 provides that insofar as practicable, the level of price support shall be announced prior to planting season; and such an announcement is expected in the near future. Support prices will again be computed at the beginning of the marketing season (October 1 for Burley and other types except flue-cured) and if parity prices then are above those previously estimated for the price support announcement, a proportionately higher support level will go into effect. Otherwise the price supports will remain the same as announced before the planting season.

MARYLAND, TYPE 32

Record Supplies of
Maryland Tobacco

The total supply of Maryland for 1949-50 is about 95 million pounds--4 million pounds larger than for 1948-49, and the highest on record. The December estimate of 1949 production was 41 million pounds--17 percent above that in 1948. The harvested acreage at 50,000 was up 7 percent over a year earlier, while per acre yield in 1949 was 9 percent higher than in 1948. The sizable increase in production more than offset the decline in carry-over, which occurred from October 1, 1948, to October 1, 1949. On the latter date, stocks were close to 54 million--2 million pounds less than a year earlier. Maryland auctions for the 1949 crop will not begin until late spring. Last year they opened on May 10.

Domestic Use and Exports

Most Maryland tobacco goes into cigarettes, and a very small amount into some cigars. Domestic use of Maryland during the year ending September 30, 1949, was nearly 28 million pounds--a gain of almost nine-tenths of a million pounds over the preceding year. The domestic use during October 1949-September 1950 is expected to be approximately the same as a year earlier since no marked change in cigarette output appears likely.

Table 8.- Maryland tobacco, type 32: Domestic supplies, disappearance, and season average price, average 1934-38, annual 1939-49

(farm-sales weight)							
Year	Pro- duction	Stocks Oct. 1	Supply	Disappearance 1/		Exports	Average price per pound
				Total	Domestic		
				Mil.lb.	Mil.lb.	Mil.lb.	
Average	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Cents
1934-38	27.5	41.3	68.8	26.5	21.1	5.4	19.7
1939	32.8	41.4	74.2	26.5	22.6	3.9	21.1
1940	32.6	47.7	80.3	28.5	25.9	2.6	33.0
1941	31.2	51.8	83.0	27.2	26.1	1.1	30.1
1942	28.1	55.8	83.9	34.4	32.2	2.2	56.5
1943	20.8	49.5	70.3	25.1	23.8	1.3	45.3
1944	38.2	45.2	83.4	31.2	28.8	2.4	55.5
1945	18.4	52.2	70.6	30.3	24.2	6.1	57.0
1946	46.2	40.3	86.5	34.0	28.3	5.7	44.5
1947	37.8	52.5	90.3	34.3	27.0	7.3	42.8
1948 2/	35.0	56.0	91.0	37.0	27.9	9.1	54.5
1949 2/	41.0	54.0	95.0				

1/ Year beginning October 1.

2/ Subject to revision.

The 1948-49 exports of Maryland tobacco were a little over 9 million pounds (farm-sales weight)--a relatively substantial increase over the 7-1/3 million pounds of the previous year and the largest since 1933. Three-fourths of the total went to Switzerland--an increase of more than 50 percent over the previous year. Germany was the next ranking foreign outlet--taking a little over one-tenth of the 1948-49 total. Other foreign destinations were French Morocco, Algeria and Tunisia, Belgium, and Netherlands, all of which took considerably less than in 1947-48. During October-December 1949 (the first quarter of the 1949-50 marketing year), exports of Maryland tobacco totaled 2.3 million pounds compared with 3.3 million in the same quarter a year earlier. In the recent period, the largest shipments were to Switzerland, French Morocco, Tunisia, and France.

From July 1 through January, the ECA announced procurement authorizations for nearly 1-1/2 million pounds of Maryland tobacco. Most of this was for France including her overseas territories. Other countries receiving authorizations were Germany, Belgium, United Kingdom, Denmark and Norway.

Price Supports

The support price for the 1949 Maryland crop that will start to auctions in the Spring of 1950 is 41.8 cents per pound--5 percent lower than last season. The price received by farmers last season was 54.5 cents per pound--well above last season's support level of 43.9 cents per pound. Price support operations were carried on for the first time in the Maryland market last season, and Government loans were taken by growers on 9 or 10 percent of the deliveries--mostly lower grades. On the first of the year, about 2-3/5 million pounds of Maryland tobacco were under Government loan.

Parity prices and probably the price support calculated in connection with the 1950 crop of Maryland will be above the parity prices and price support applicable to the 1949 crop. A new method of calculating parity prices is prescribed in the Agricultural Act of 1949 and is illustrated on page 24 with reference to flue-cured tobacco. The 1950 Maryland tobacco parity will be computed in similar fashion by using prices received during the calendar years 1940 through 1949 to get the 10-year average, then deriving the "adjusted base price" which will be multiplied by the September 15, 1950 Index of Prices Paid by Farmers Including Interest, Taxes, and Wage Rates. For January 15, 1950 the Maryland tobacco parity as calculated in accordance with the new method is 54.3 cents per pound.

Marketing quotas are not in effect on Maryland tobacco and under the 1949 Act, the Maryland price support for the 1950 crop could range from 75 to 90 percent of its parity depending on its supply position. If Maryland tobacco is found to be in quota position, growers will vote in a referendum as to whether or not they favor quotas. A two-thirds majority is required to put quotas into effect. The 1951 Maryland crop is the earliest crop that could be affected. If a referendum should be held and growers vote against a quota, then, under the 1949 Act, no price support could be provided for the 1951 crop. When quotas are approved by growers, the law sets the level of price support at 90 percent of parity for that tobacco crop subject to the quota.

FIRE-CURED, TYPES 21-24

1949 Fire-Cured Prices

Virginia fire-cured, type 21, auctions began in late November 1949, and closed in mid-February. Prices received at auctions for the season were a record 33.5 cents per pound compared with the previous high of 32.8 cents received by growers last season. Prices of sales during the first half of January 1950 were higher than during December 1949. Marketings were about one-third smaller during the pre-holiday period of the recent season compared with a year earlier. Production of Virginia fire-cured in 1949 was about 5 percent lower than a year earlier.

Auctioning of Kentucky-Tennessee fire-cured began in early January. The Eastern District tobacco, type 22, averaged 30.7 cents per pound during January--4 percent below January 1949. The Western District tobacco, type 23, averaged 24.8 cents per pound during January--16 percent below January 1949. Market reports during January indicated a substantial proportion of lower quality tobacco on type 23 markets. The type 22 crop was about the same size as in 1948, but the type 23 crop was about 8 percent smaller.

Table 9.- Fire-cured tobacco, types 21-24: Domestic supplies, disappearance, and season average price, average 1934-38, annual 1939-49

(farm-sales weight)							
Year	Production	Stocks Oct. 1	Supply	Disappearance 1/		Exports	Average price per pound
				Total	Domestic 2/		
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Cents
Av. 1934-38:	110.2	194.2	304.4	123.0	53.2	69.8	10.2
1939	99.4	136.2	235.6	94.0	55.1	38.9	10.6
1940	106.5	141.6	248.1	64.2	45.6	18.6	9.5
1941	69.7	183.9	253.6	69.0	51.5	17.5	14.1
1942	71.5	184.6	256.1	76.3	60.7	15.6	17.1
1943	64.9	179.8	244.7	71.2	53.4	17.8	23.4
1944	66.1	173.5	239.6	107.8	44.0	63.8	24.5
1945	58.3	131.8	190.1	85.2	37.6	47.6	31.5
1946	108.9	104.9	213.8	70.4	36.0	34.4	26.0
1947	85.8	143.4	229.2	66.6	36.3	30.3	29.5
1948 2/	73.2	162.6	235.8	78.6	35.4	43.2	31.9
1949 2/	71.2	157.2	228.4				3/30.4

1/ Year beginning October 1.

2/ Subject to revision.

3/ Preliminary average of auction sales through February 7.

The 1949 price support level for fire-cured tobacco at 75 percent of the Burley loan rate is 30.2 cents per pound--5 percent less than the 1948 level. The quantities of fire-cured placed under loan during the 1949 season has been smaller than last season. A much smaller proportion of type 21--10 percent of total deliveries--went into Government loan this season than in the 1948-49 season, when it was about 25 percent. During January about 24 percent of sales of type 22 were put under loan compared with 32 percent in January 1949. The type 23 had the heaviest proportion of Government loans--about 48 percent in January compared with 53 percent in January 1949.

As of January 1, Government loan stocks of fire-cured tobacco totaled a little over 63 million pounds.

Fire-Cured Supplies

Down Slightly

Total supplies of fire-cured tobacco for 1949-50 are 228 million pounds--slightly lower than the 236 million for 1948-49. Production of all the fire-cured types in 1949 was about 71 million pounds--2 million pounds below last year. Harvested acreage at 60,400 was down 3 1/2 percent. Yield per acre in both years averaged about the same for all types combined. The carry-over of fire-cured on October 1, 1949 (the beginning of the 1949-50 marketing year), was 157 million pounds--down between 3 and 4 percent from a year earlier. Most of this drop was in the type 22 tobacco stocks, which were 6 to 7 percent lower. The October 1 carry-over of type 21 was 1 percent below a year earlier and the second lowest on record. The type 23 stocks were slightly above a year earlier and exceeded the October stocks of any year in the past 2 decades.

The 1950 acreage allotments for fire-cured tobacco will total close to 56,850 acres--about 13 percent below last year. The 1949 harvested acreage at 60,400 was about 7 to 8 percent smaller than last year's total allotment. If yields per acre in 1950 should equal the average of the most recent 5 years, 1950 production would probably approximate 60 million pounds--around 13 percent less than the 1949 crop. Carry-over next October 1 is not expected to be much different than last October; but in view of the anticipated smaller 1950 crop, total 1950-51 supplies are likely to be around 220 million pounds. Although about 4 percent below the 1949-50 fire-cured supplies, they would be ample to meet foreseeable requirements.

Domestic Use and Exports

In the year ending September 30, 1949, domestic use of fire-cured was nearly 35 1/2 million pounds--fractionally lower than in the previous year. The principal domestic outlet for fire-cured is snuff manufacture. Snuff consumption has remained comparatively stable, and snuff production in 1949-50 will probably require just about the same quantity of fire-cured as in 1948-49.

Exports of fire-cured during 1948-49 totaled a little more than 43 million pounds (farm-sales weight). This was substantially larger than in each of the previous 2 years. A major factor contributing to this larger total was the Government export subsidy program under which one-third of the f.a.s. sales price of the tobacco was paid for by the Government and two-thirds by the foreign purchasers. The expiration date for shipments under the program was June 30, 1949.

Kentucky-Tennessee fire-cured tobacco composing about four-fifths of total fire-cured exports were up sharply. France took about one-third of total Kentucky-Tennessee fire-cured exports in 1948-49 in contrast to practically none in 1947-48. Next ranking foreign outlets in 1948-49 were Netherlands, Germany, Switzerland, Sweden, Belgium, the United Kingdom, and Algeria and Tunisia. All these countries took more than in 1947-48 except Switzerland and Belgium.

Virginia fire-cured tobacco exports in 1948-49 were more than one-fourth lower than in the preceding year. Norway, though taking 24 percent less, accounted for three-tenths of the total. Germany was the second ranking foreign outlet in 1948-49 for this type but got practically none a year earlier. Virginia fire-cured tobacco exports to Sweden in 1948-49 were less than one-third of her takings in the previous year. Quantities going to Switzerland, Belgium, and Netherlands also fell sharply; but those to Portugal, New Zealand, Austria, and the United Kingdom increased.

In the first quarter of the 1949-50 marketing year (October-December 1949), total fire-cured tobacco exports were 4.5 million pounds (farm-sales weight)--sharply below the 9.8 million pounds in the same period a year earlier. Both Kentucky-Tennessee and Virginia fire-cured were down.

ECA procurement authorizations approved for United States fire-cured tobacco from July 1, 1949, through January 1950 **provided** for the purchase of around 14 million pounds (farm sales weight). This amount was shared by 10 cooperating European countries. The largest proportion, a little over one-third, went to France including her overseas territories. The United Kingdom, and Norway each accounted for about one-sixth of the total and the rest was for Ireland, Belgium, Italy, Netherlands, Austria, Denmark, and Germany.

The 1949-50 exports of fire-cured tobacco are not expected to be as large as in 1948-49 because ECA expenditures will be smaller in 1950-51, and many countries are still encountering difficulties getting enough dollar exchange to buy their requirements of leaf.

1950 Price Supports

Under the Agricultural Act of 1949, price supports for fire-cured tobacco continue to be related to the Burley loan level. The fire-cured price support level for the 1950 crop will be calculated at 75 percent of the Burley loan level. The Burley loan level (90 percent of either its parity or expected parity as of September 15) for the 1950 crop is likely to be higher than it was for the 1949 crop. (See 1950 price support discussion in the Burley and flue-cured sections of this Situation.) The 1950 fire-cured loan level will show the same proportionate rise over 1949 that occurs in the Burley loan level.

DARK AIR-CURED, TYPES 35-37

1949 Dark Air-Cured Prices

Auctions for the 1949 crop of dark air-cured tobacco began around December 1. By early February, the bulk of all three types was marketed. Auction prices for One Sucker, type 35, averaged about 27.7 cents per pound--6 percent lower than the 1948 season average, which was a record high. The 1949 One Sucker crop was close to 10 percent larger than in 1948. Auction prices for Green River, type 36, also averaged 27.7 cents per pound--approximately 5 percent above the 1948 season average. The 1949 season average price will probably be second only to the record 29.4 cents received for the small 1943 crop. The 1949 Green River crop was 5 percent below the 1948 crop and the fourth smallest on record. Sales of One Sucker and Green River were retarded in early December because the dry weather delayed preparation of the tobacco for market. During part of January, Green River sales had to be suspended because of flood conditions. Virginia sun-cured tobacco averaged 31.0 cents per pound at auctions for the season through early February. This average includes sales of this type at the Richmond fire-cured markets. The season average price received for the 1948 crop of type 37 was 32.0 cents per pound. The 1949 sun-cured crop was about one-fifth larger than the 1948 crop and the second largest in the past 20 years.

The support price for the 1949 crop of dark air-cured tobacco is 26.9 cents per pound (66 $\frac{2}{3}$ percent of the Burley loan level). This is 5 percent less than in the previous season and reflects the decline in the index of prices paid by farmers between September 15, 1948, and September 15, 1949.

Table 10.- Dark air-cured tobacco, types 35-37: Domestic supplies, disappearance, and season average price, average 1934-38 annual 1939-49

(farm-sales weight)							
Year	Production	Stocks Oct. 1	Supply	Disappearance 1/		Average price per pound	
				Total	Domestic:Exports		
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	2/ 2/		Cents
Av. 1934-38:	35.5	62.8	98.3	39.0	27.0 12.0		9.4
1939	44.2	56.1	100.3	34.7	27.3 7.4		7.3
1940	42.5	65.6	108.1	33.7	29.0 4.7		7.7
1941	31.5	74.4	105.9	41.9	38.9 3.0		12.0
1942	35.2	64.0	99.2	33.9	29.8 4.1		15.2
1943	30.0	65.3	95.3	37.6	34.4 3.2		27.2
1944	44.9	57.7	102.6	42.2	35.9 6.3		23.3
1945	43.6	60.4	104.0	43.6	30.5 13.1		25.2
1946	49.6	60.4	110.0	37.3	29.7 7.6		22.5
1947	37.2	72.7	109.9	32.7	26.3 6.4		25.8
1948 2/	34.8	77.2	112.0	37.9	23.1 14.8		28.7
1949 2/	36.6	74.1	110.7				3/28.1

1/ Year beginning October 1.

2/ Subject to revision.

3/ Preliminary average of auction sales through February 6.

A much smaller proportion of the 1949 crop has gone into Government loans than last season, when it was a little more than 25 percent. For all dark air-cured types combined, only about 10 percent of total deliveries for the season through early February had been placed under Government loan. The proportion of type 35 was around 9 percent; of type 36, around 12 percent, and of type 37, a negligible amount well below 1 percent.

The quantity of dark air-cured tobacco still under Government loan from previous crops on January 1 was a little over 25 million pounds.

Dark Air-Cured Supplies Near Last Year

The total supply of dark air-cured tobacco for 1949-50 at almost 111 million pounds is very slightly less than the 112 million-pound level of 1948-49. The 1949 production of 36.6 million pounds was 5 percent larger than a year earlier. Total 1949 acreage at 31,600 was 1,700 above 1948. Types 35 and 37 had larger acreages while type 36 showed a decrease. Yields per acre for each of the three types averaged just about the same as in 1948. The carry-over of dark air-cured tobacco on October 1, 1949 (beginning of the 1949-50 marketing year), was 74 million pounds--about 3 million pounds below a year earlier. Practically all of the drop was in type 35 stocks while stocks of types 36 and 37 showed little change.

The 1950 allotments for dark air-cured tobacco (types 35-36) total approximately 26,200 acres--13 percent less than the 1949 allotments. Quotas and acreage allotments were not in effect for Virginia sun-cured, type 37, in 1949 but will be in 1950. The 1950 type 37 allotment is close to 3,600 acres--the same as the estimated harvested acreage in 1949. If yields per acre for dark air-cured tobacco types in 1950 should equal the averages of the most recent 5 years, the 1950 production would approximate 32 million pounds--about 13 percent less than the 1949 crop. Carry-over next October 1 may be a little above last October; but with a smaller crop next year, the total 1950-51 supplies will probably be 3 or 4 million pounds less than the high 1949-50 level of 111 million pounds.

Domestic Use and Exports

In the year ending September 30, 1949, domestic use of dark air-cured tobacco totaled 23 million pounds--about 12 1/2 percent less than in the preceding year and the lowest on record. Most dark air-cured is used in chewing tobacco, which has been declining steadily since the war. The domestic use of dark air-cured tobacco will probably be a little lower in 1949-50 than in 1948-49 since chewing tobacco may continue gradually downward.

Dark air-cured exports during 1948-49 were the largest in many years. At nearly 15 million pounds (farm-sales weight including Black Fat), they more than doubled the previous year, but a major factor in this was the Government export subsidy program. Most of the shipments under this program occurred in the 1948-49 marketing year. The program provided for the payment of one-third of the f.a.s. sales price while foreign purchasers paid the other two-thirds. June 30, 1949, was the expiration date for shipments under this program.

The dark air-cured exports in 1948-49 were split roughly as follows: One Sucker, a little less than one-half; Green River, a little less than one-fourth; and the Black Fat equivalent, a little more than one-fourth. Both the One Sucker and Green River leaf shipments were up sharply over the previous year but Black Fat held just about even. France took about 4 2/3 million pounds (farm-sales weight) in 1948-49 but none in 1947-48. This accounted for about 44 percent of the combined One Sucker and Green River leaf exported in 1948-49. Nigeria, the Netherlands, French Africa, the United Kingdom, Germany, and Algeria and Tunisia were other foreign countries taking more in the recent year than in 1947-48. Most of the Black Fat exports in 1948-49 went to Nigeria, Gold Coast, French Africa, and Portuguese Guinea.

During the first quarter of the 1949-50 marketing year (October-December 1949), exports of dark air-cured tobacco totaled 2.0 million pounds (farm-sales weight) compared with 1.7 million pounds in the same period a year earlier. Belgium got a sizable quantity in the final quarter of 1949.

ECA procurement authorizations were issued for about 2.2 million pounds (farm-sales weight) of dark air-cured tobacco from July 1, 1949, through January 1950. About 44 percent of this total was for France including her overseas territories, and 38 percent for the United Kingdom. The remainder was for Norway, Belgium and Ireland.

During 1949-50, dark air-cured exports are expected to be less than the high 1948-49 total.

1950 Price Supports

Under the Agricultural Act of 1949, price supports for dark air-cured tobacco continue to be related to the Burley loan level. The dark air-cured price support level for the 1950 crop will be calculated at $66 \frac{2}{3}$ percent of the Burley loan level. The Burley loan level (90 percent of either its parity or expected parity as of September 15) for the 1950 crop is likely to be a little higher than it was for the 1949 crop. (See 1950 price support discussion in the Burley and flue-cured sections of this Situation.) The 1950 air-cured loan level will show the same proportionate rise over 1949 that occurs in the Burley loan level.

CIGAR TOBACCO

Domestic Filler Supplies

Above Last Year

The supply of Pennsylvania and Ohio filler, types 41-44, at 198 million pounds is slightly above last year, when it was 195 million pounds. The 1949 production decline of 5 million pounds was more than offset by the increase in the carry-over of 8 million pounds on October 1, 1949. Most of the production decline in 1949 was the result of smaller yields per acre as total acreage was only slightly lower than in 1948. For the past 3 years, Pennsylvania filler acreage has been about three-fifths larger than prewar, while Ohio filler acreage has been less than one-half the prewar average. Ohio filler production in each of the last 2 years has been substantially higher than the low point during the war. Total supplies of Pennsylvania filler are the highest since 1942 and over one-fifth larger than the prewar average; while Ohio filler supplies, although a little larger than the low point of 2 years ago, is barely one-half the prewar average.

Total disappearance of domestic cigar filler during the year ending last September 30 was about 63 million pounds--about $1 \frac{1}{2}$ million larger than the preceding year and nearly 10 million pounds above the prewar average.

Cigar production is expected to continue in 1950 at near the 1949 level, but lower-priced cigars may account for a little larger proportion of the total.

Although price information on the 1949 filler crop is still fragmentary, indications are that prices offered have been about the same or a little higher than those of the 1948 season. The 1948 season average price was 25.8 cents per pound--one-sixth less than the 1947 average and the lowest since 1944. No price support operations for the domestic filler types have been carried into effect in the past several years because market prices have been above the support level. The 1949 support level for Pennsylvania filler, type 41, is 20.1 cents per pound and for the Ohio filler, types 42-44, 18.3 cents per pound. The support level for the 1950 crop of these cigar filler types will be substantially higher because of the higher parity price as calculated under the Agricultural Act of 1949.

Table 11.- Cigar tobacco, types 41-62: Domestic supplies, disappearance, and season average price, average 1934-38, annual 1939-49

(farm-sales weight)					
Year and type	Production	Stocks: October 1:	Supply	Disappearance: year beginning:	Average price per
		1/		October 1 1/	pound
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Cents
Total filler types :					
41-44 2/ :					
Average 1934-38 :	48.9	159.9	208.8	54.4	10.4
1939 :	63.1	141.9	205.0	54.0	11.7
1940 :	64.7	151.0	215.7	58.7	12.0
1941 :	71.2	157.0	228.2	61.4	12.5
1942 :	53.8	166.8	220.6	67.0	13.2
1943 :	47.0	153.6	200.6	55.2	18.6
1944 :	58.8	145.4	204.2	61.3	19.5
1945 :	49.9	142.9	192.8	64.1	34.0
1946 :	64.4	128.8	193.2	71.0	32.8
1947 :	63.2	122.2	185.4	61.7	30.6
1948 3/ :	71.4	123.7	195.1	63.2	25.8
1949 3/ :	66.4	131.9	198.3		
Total binder types :					
51-56 :					
Average 1934-38 :	41.8	165.1	206.9	60.5	12.5
1939 :	63.3	116.6	179.9	45.0	16.6
1940 :	67.9	134.9	202.8	66.1	14.5
1941 :	61.6	136.7	198.3	60.4	16.9
1942 :	55.2	137.9	193.1	66.4	20.4
1943 :	51.0	126.7	177.7	69.2	30.3
1944 :	57.2	108.5	165.7	63.4	30.9
1945 :	62.1	102.3	164.4	60.9	47.7
1946 :	73.8	103.5	177.3	53.6	52.7
1947 :	70.3	123.7	194.0	68.2	43.4
1948 3/ :	58.5	125.8	184.3	61.0	41.0
1949 3/ :	59.9	123.3	183.2		
Total wrapper types :					
61-62 :					
Average 1934-38 :	8.4	11.8	20.2	9.3	78.3
1939 :	11.4	10.1	21.5	7.9	67.7
1940 :	9.5	13.6	23.1	10.4	77.6
1941 :	10.1	12.7	22.8	9.6	98.4
1942 :	9.2	13.2	22.4	9.4	132.1
1943 :	10.0	13.0	23.0	8.7	167.7
1944 :	11.3	14.3	25.6	10.9	196.1
1945 :	11.2	14.7	25.9	12.3	197.3
1946 :	12.5	13.6	26.1	12.7	234.0
1947 :	13.5	13.4	26.9	12.4	296.0
1948 3/ :	14.8	14.5	29.3	12.7	274.0
1949 3/ :	16.4	16.6	33.0		

1/ Stocks and disappearance for types 56, 61, and 62 are as of July 1.

2/ A small quantity of type 45 for 1939 and 1940 not included.

3/ Preliminary.

Puerto Rican tobacco, type 46, is also largely used for cigar filler. The crop to be harvested in early 1950 is being produced under an Insular Government quota, which amounts to 25 million pounds. Production of the three previous crops has averaged close to 25 million pounds annually. Stocks of Puerto Rican tobacco on October 1, 1949, totaled 53 million pounds and were down sharply from the 68 million pounds a year earlier. The decline in stocks, in a large part, reflects exports mostly to Germany, which were unusually large. Shipments of tobacco from Puerto Rico to the United States in October 1948-September 1949 were 15 million pounds--about 1 million pounds less than in the previous 12 months. Stocks of Puerto Rican tobacco in the United States on October 1, 1949, were the lowest in many years. However, in the last quarter of 1949, shipments from the Island to the United States were much larger than in the same quarter a year earlier.

Cigar Binder Supply Slightly
Less Than last Year

The total supply of cigar binder, types 51-56, is 183 million pounds--about 1 million pounds below last year. Production of all these types combined in 1949 was up slightly, but the carry-over on October 1 was down about 2-1/2 million pounds from a year earlier.

The total supply of Broadleaf is about 10 percent less than a year ago, while the Havana Seed supply is slightly above last year. In the Connecticut Valley, the 1949 binder acreage was practically the same as a year earlier. The Broadleaf crop, type 51 was a little smaller, but the Havana Seed crop, type 52, was a little larger than in 1948. Total disappearance of Broadleaf in the year ending September 30, 1949, was the largest in the last 20 years and reflected unusually large exports of this type. Havana Seed disappearance was larger than in each of the previous 3 years.

Most of the 1949 Broadleaf crop was sold during November 1949. Except for crops damaged by hail, the average price generally received was close to 60 cents per pound. This was about the same as the average received for the 1948 crop. Demand for the Connecticut Valley Havana Seed crop was not as strong as that for Broadleaf. Price offers for Havana Seed were less as the marketing season progressed. Prices for about the first two-thirds of the crop sold averaged around 50 cents--20 percent less than the 1948 season average.

The support levels for the 1949 crops of Broadleaf and Havana Seed are 40.6 and 42.9 cents per pound, respectively. No price support operations were put into effect on these types in prior seasons because the market prices were well above the support level. Support price operations commenced for the first time on Connecticut Valley Havana Seed (type 52) tobacco toward the end of January. At that time it was estimated that about 15 percent of the 1949 crop remained unsold. The new method of calculation under the Agricultural Act of 1949 will raise the parities for these types appreciably. This will mean higher support prices for the 1950 crop.

The supply of New York and Pennsylvania Havana Seed, type 53, is below that of a year ago. This is due to the decrease in carry-over since acreage and production in 1949 were about the same as in 1948. Present supplies are a little below the prewar average. The 1949 price support level is 24.2 cents per pound, and next season is likely to be higher because of the higher parity calculated under the Agricultural Act of 1949.

The supplies of Southern Wisconsin type 54, are about 7 percent larger than in 1948-49, while those of Northern Wisconsin, type 55, are practically the same. Production of both Wisconsin types in 1949 was slightly above that of a year earlier. Harvested acreages of types 54 and 55 were just about the same in 1949 as in 1948. The October 1 carry-over of type 54 increased a little and was the highest for October since 1940. Carry-over of type 55 showed a small decrease from a year earlier and was close to the prewar average. Total disappearance of both Wisconsin types declined in the year ending last October compared with the year previous.

Indications on average prices of the Wisconsin tobacco sold thus far in the 1949 season are inconclusive. The support price for the 1949 crop of type 54 is 19.8 cents per pound; and for type 55, it is 25.7 cents per pound. Price-support operations have been carried on in connection with Wisconsin tobacco over the past three seasons. The 1950 level of price supports for these types will be higher because of the higher parities provided in the Agricultural Act of 1949.

A substantial portion of Southern Wisconsin tobacco and also certain grades of other cigar types are used in the manufacture of scrap chewing. Output of scrap chewing in October 1948-September 1949 dropped 3 1/2 percent below a year earlier and 8 percent below the prewar average. A further gradual decline may occur over the next 2 or 3 years.

Record Supplies of Domestic Cigar Wrapper

Supplies of cigar wrapper, types 61-62, exceed those of any previous year. The 1949-50 total of 33 million pounds is over 3 1/2 million pounds above 1948-49. The 1949 crop was the largest on record for both the Connecticut Valley, type 61, and also Georgia-Florida, type 62. Acreage of type 61 showed little change in 1949 compared with 1948, but type 62 acreage reached a new peak--about 13 percent above the previous record high of 1948. Carry-over of type 61 on July 1, 1949 was larger than that of any year since 1924. The carry-over of type 62 on July 1, 1949, exceeded that in each of the previous 3 years.

During the 1948-49 crop year, the total disappearance of domestic wrapper was nearly 12 3/4 million pounds--over 3 percent above the year previous and 37 percent above the 1934-38 average. The substantial gain in the disappearance of type 62 more than offset the small drop in the type 61 disappearance during 1948-49 compared with a year earlier.

While parity prices are computed for the two wrapper types, 61 and 62, they were never included with other United States tobacco types in agricultural legislation on price supports and quotas. Parities for these two types when calculated under the method prescribed in the Agricultural Act of 1949 are substantially higher than under the old method.

In early February bills were introduced (S.2980 and H.R. 7154) in both Houses of Congress to amend existing legislation to include types 61 and 62 in connection with provisions relating to allotments, quotas and price-supports.

Table 12.- Acreage of tobacco in the United States, by types,
Average 1934-38; annual 1948-49 and percentages

Type	1934-38		1948 1/1949		Percentage change 1934-38 to 1949	
	Thou. acres	Thou. acres	Thou. acres	Percent	Percent	
Total flue-cured, types 11-14:	863.1	883.8	936.4	+8.5	+6.0	
Old and Middle Belt, type 11	327.1	320.0	333.0	+1.8	+4.1	
Eastern North Carolina, type 12	296.6	290.0	304.0	+2.5	+4.8	
South Carolina, type 13	155.7	175.0	188.0	+20.7	+7.4	
Georgia and Florida, type 14	83.7	98.8	111.4	+33.1	+12.8	
Total fire-cured, types 21-24:	135.2	62.6	60.4	-55.3	-3.5	
Virginia, type 21	23.1	11.0	10.6	-54.1	-3.6	
Kentucky and Tennessee, type 22	76.7	34.8	33.9	-55.8	-2.6	
Kentucky and Tennessee, type 23	32.4	16.6	15.7	-51.5	-5.4	
Henderson, type 24	3.0	.2	.2	-93.3	.0	
Burley, type 31	347.2	432.0	449.2	+29.4	+4.0	
Maryland, type 32	36.7	46.6	50.0	+36.2	+7.3	
Total dark air-cured, types 35-37:	42.0	29.9	31.6	-24.8	+5.7	
One Sucker, type 35	19.9	16.2	17.8	-10.6	+9.9	
Green River, type 36	18.8	10.7	10.2	-45.7	-4.7	
Virginia Sun-cured, type 37	3.3	3.0	3.6	+9.1	+20.0	
Total cigar filler, types 41-44:	38.0	45.2	44.3	+16.6	-2.0	
Pennsylvania Seedleaf, type 41	23.4	38.4	37.6	+60.7	-2.1	
Miami Valley, types 42-44	14.6	6.8	6.7	-54.1	-1.5	
Total cigar binder, types 51-56:	2/ 29.9	38.8	38.6	+29.1	-.5	
Connecticut Valley Broadleaf, type 51:	7.2	9.0	8.8	+22.2	-2.2	
Conn. Valley Havana Seed, type 52	5.4	8.3	8.3	+53.7	.0	
N. Y. and Pa. Havana Seed, type 53	.7	1.0	1.0	+42.9	.0	
Southern Wisconsin, type 54	8.9	8.2	8.5	-4.5	+3.7	
Northern Wisconsin, type 55	6.7	12.2	12.0	+79.1	-1.6	
Georgia and Florida Sun-grown, type 56: 2/	1.0	.1	.0	---	---	
Total cigar wrapper, types 61-62:	8.9	15.0	15.5	+74.2	+3.3	
Conn. Valley Shade-grown, type 61	6.3	10.5	10.4	+65.1	-1.0	
Ga. and Fla. Shade-grown, type 62	2.6	4.5	5.1	+96.2	+13.3	
Louisiana Perique, type 72	.3	.3	.3	.0	.0	
Total all types	1,501.3	1,554.6	1,626.3	+8.3	+4.6	

1/ Preliminary.

2/ Includes a small amount of type 45 supplanted by type 56.

Table 13.- Production of manufactured tobacco in the United States,
for specified periods

Period	Chewing					Smoking	Snuff
	Plug	Twist	Fine-cut	Scrap	Total	1/	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	
Av. 1925-39	104.5	8.8	6.2	77.4	196.9	161.1	39.6
Av. 1935-39	56.9	5.9	5.0	44.0	111.8	195.0	37.3
1940	48.8	5.6	4.7	42.4	101.5	205.1	37.9
1941	50.2	5.6	5.1	44.2	105.1	197.6	39.6
1942	54.3	6.0	5.1	48.3	113.7	175.7	41.0
1943	58.9	6.3	4.5	51.4	121.1	162.8	43.2
1944	61.7	6.5	4.1	52.9	125.2	139.9	42.0
1945	59.7	6.7	4.0	47.7	118.1	168.5	43.8
1946	51.8	5.8	3.8	46.1	107.5	106.4	39.4
1947	47.3	5.2	3.8	42.2	98.5	104.7	39.2
1948	45.3	5.6	3.2	42.1	96.2	107.6	40.8
Jan.-Nov. 1948	42.2	5.2	3.0	39.1	89.5	100.7	37.3
Jan.-Nov. 1949	39.0	5.2	2.5	36.6	83.3	101.2	37.4
Percentage change							
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
Jan.-Nov. 1948:							
to							
Jan.-Nov. 1949:	-7.6	0.0	-16.7	-6.4	-6.9	+0.5	+0.3

1/ Breakdown of smoking and scrap prior to 1931 is estimated.
Compiled from reports of Internal Revenue

Table 14.- Tax-paid withdrawals of tobacco products in the
United States, calendar years 1948 and 1949,
and July-December 1948-49 1/

Products	Calendar year			July-December		
	1948	1949	Change	1948	1949	Change
	Million	Million	Percent	Million	Million	Percent
Small cigarettes	348,730	352,315	+1.0	176,714	176,822	+0.1
Large cigarettes	0.7	0.8	+14.3	0.4	0.3	-25.0
Large cigars	5,775	5,587	-3.3	3,007	2,901	-3.5
Small cigars	90	82	-8.9	41	44	+7.3
Snuff 2/	41.4	41.2	-0.5	20.1	20.9	+4.0
Manufactured tobacco 2/	199.7	194.0	-2.9	102.0	99.2	-2.7

1/ Based on sales of revenue stamps, and includes products from Puerto Rico.

2/ Million pounds.

Compiled from reports of Internal Revenue.

Table 15.- Internal Revenue collections from tobacco,
average 1930-34 and 1935-39, annual 1940-49,
and percentage distribution by product

Period	Cigars 1/ Mil. dol.	Cigarettes 2/ Mil. dol.	Chewing and smoking Mil. dol.	Snuff Mil. dol.	Total 3/ Mil. dol.
Av. 1930-34:	14.3	344.6	56.9	6.9	423.9
Av. 1935-39:	12.8	472.0	54.9	6.7	547.6
1940	13.1	569.3	54.8	6.8	645.5
1941	14.1	670.9	53.8	7.1	747.7
1942	16.9	782.2	50.5	7.4	858.6
1943	28.6	904.2	47.4	7.8	989.5
1944	33.6	837.6	45.3	7.6	925.4
1945	38.2	937.2	48.6	7.9	1,034.2
1946	47.5	1,125.2	38.0	7.1	1,218.4
1947	47.1	1,175.9	35.9	7.1	1,266.7
1948	46.7	1,220.6	35.9	7.5	1,311.5
1949	43.6	1,233.1	34.9	7.4	1,320.0
Percent of total					
Av. 1930-34:	3.4	81.3	13.4	1.6	100.0
Av. 1935-39:	2.3	86.2	10.0	1.2	100.0
1940	2.0	88.2	8.5	1.1	100.0
1941	1.9	89.7	7.2	.9	100.0
1942	2.0	91.1	5.9	.9	100.0
1943	2.9	91.4	4.8	.8	100.0
1944	3.6	90.5	4.9	.8	100.0
1945	3.7	90.6	4.7	.8	100.0
1946	3.9	92.4	3.1	.6	100.0
1947	3.7	92.8	2.8	.6	100.0
1948	3.6	93.1	2.7	.6	100.0
1949	3.3	93.4	2.7	.6	100.0

1/ Includes small cigars and cigar floor-taxes.

2/ Includes large cigarettes and cigarette floor-taxes.

3/ Total includes cigarette papers and tubes and leaf dealer penalties not shown separately in this table.

Compiled from reports of Internal Revenue.



U. S. Department of Agriculture
Washington 25, D. C.

Penalty for private use to avoid
payment of postage \$300

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